STATE OF ALASKA

STEVE COWPER, GOVERNOR

ALASKA PUBLIC UTILITIES COMMISSION

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

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February 15, 1988

The Honorable Jan Faiks
President of the Senate
and
The Honorable Ben F. Grussendorf
Speaker of the House

Dear Senator Faiks and Representative Grussendorf:

Pursuant to AS 42.05.211, we herewith submit to the Legislature through your offices the Eighteenth Annual Report of the Alaska Public Utilities Commission covering the fiscal year ended June 30, 1987.

Respectfully yours,

ALASKA PUBLIC UTILITIES COMMISSION

Susan M. Knowles
Chairman

Lawrence J. Evans
Commissioner

Tom E. Hess
Commissioner

Kathleen L. Whitaker
Commissioner

Peter Sokolov
Commissioner

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MESSAGE FROM THE CHAIRMAN

I am pleased to present to the Fifteenth Alaska State Legislature the annual report of the Alaska Public Utilities Commission reviewing our work for the year ended June 30, 1987, and outlining anticipated actions in FY88.

The mission of the Commission is to protect the public. It is accomplished through two major functions: (1) by awarding certificates of public convenience and necessity to qualified providers of utility and pipeline services and (2) by ensuring, except where preempted by statute, that those providers offer adequate, efficient, and safe services and facilities to the public at just and reasonable rates, terms, and conditions. The latter function involves not only evaluating tariff filings made by utilities and pipeline carriers but also assisting consumers in resolving their complaints with these providers.

The activities of the Commission in accomplishing its mission are discussed in detail in the annual report. As the statistics indicate, FY87 was a busy and productive year. The highest percentage ever of Alaskans have access to reliable, affordable utility and pipeline services. During a time of major economic reversal with an unprecedented number of bankruptcies, the utility and pipeline industries remain financially sound; and reliable service continues to be provided. Consumers have also benefited from Commission efforts to minimize rate increases in spite of unavoidable higher operating costs and absorption of major plant additions planned during the previous period of high economic growth. And consumers, many already burdened with personal financial problems, have been able to rely on the Commission for assistance in dealing with the regulated sector.

The Commission anticipates that FY88 and FY89 will also be dominated by the economy and its effect on regulated businesses and consumers. It is also expected to be a period which focuses on a number of major telecommunications issues, including long distance rates, intrastate competition, and access charges, and on outstanding cases involving railbelt energy matters and pipeline ratemaking.

The Commission continues to consider ways of improving its operations through both internal efficiencies and prioritizing of its work program. In addition, the Commission will be seeking opportunities to reduce the level of regulatory oversight where it is cost beneficial to do so without adversely impacting protection of the public. These efforts will be assisted by the sunset review of the Commission which is scheduled for the first half of FY89.

The Commission is an agent of the Legislature. As such, we attempt to assertively fulfill our assigned statutory duties and responsibilities and to serve the public interest on your behalf. We believe that the annual report demonstrates our past, present, and future commitment to the mission you have given us.

Susan M. Knowles

Susan M. Knowles, Chairman

AGENCY PERFORMANCE

The role of the Alaska Public Utilities Commission is primarily a reactive one. Among its many responsibilities, the Commission responds to certification applications by utilities or pipeline carriers for new or expanded service areas or routes. One of the Commission's most significant responsibilities is the consideration of and decision on the rates, rules, and conditions of service proposed by regulated utilities and pipeline carriers for their services. In addition, the Commission investigates complaints concerning rates, quality of service, and management practices of utilities and pipeline carriers, as well as matters regarding joint use and interconnection of facilities.

There are currently 303 utilities and pipeline carriers certificated by the Commission. Of that total 98 utilities and 16 pipeline carriers are economically regulated.

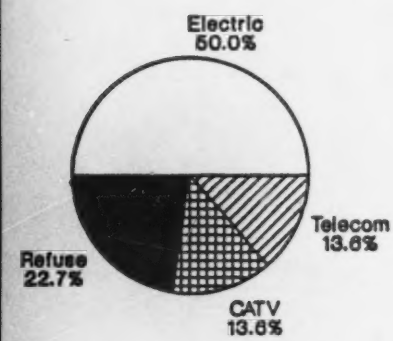
The next several pages set out and discuss various statistical aspects of the Commission's workload.

Certification Proceedings.

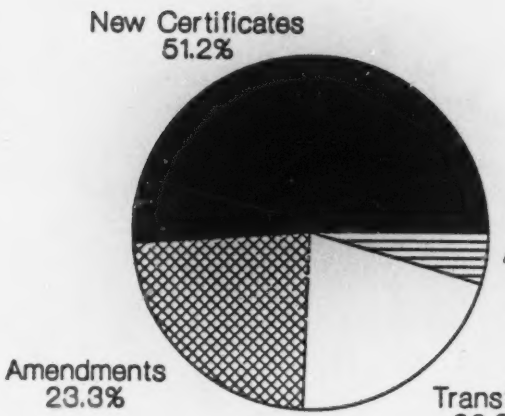
Each pipeline carrier and each utility proposing to provide service to the public for compensation must obtain a certificate of public convenience and necessity to begin operating. In addition, any modifications or amendments to a certificate, as well as a transfer of controlling interest in a certificate, must have Commission approval.

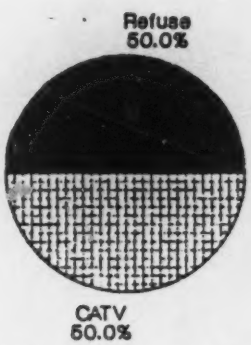
Exhibit I graphs the composition of applications for certificates in FY87, categorized by type of application and service. Even though the total number of electric utility certification dockets has decreased, they still dominate the area of new certificates.

FY87 CERTIFICATION PROCEEDING DOCKETS EXHIBIT I

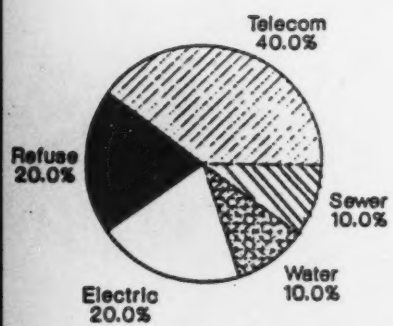


New Certificates

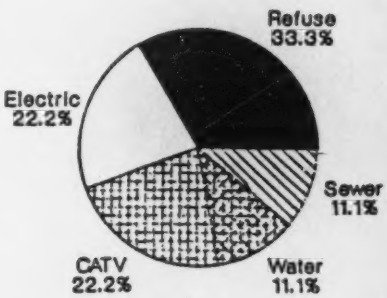




Certificate Acquisitions [1]



Certificate Amendments



Certificate Transfers [2]

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[1] An acquisition is a change in controlling interest or stock ownership of an operating utility or pipeline carrier.

[2] A transfer is a change in operating utility or pipeline carrier.

Exhibit II shows that the level of electric utility applications declined in FY87 as anticipated in last year's annual report. At this time most of the electric utilities identified through the Power Cost Equalization (PCE) program have completed the certification process. The economic downturn of the state has had a definite effect on the number of requests for water and sewer certificates. The decrease in the number of amendment requests can also be directly attributed to the state's economic condition; i.e., utilities and pipeline carriers do not file for extensions to their service areas when they have fewer customers or shippers to serve. The increase in the number of refuse applications is a result of the limited competition allowed by the Commission in the Matanuska-Susitna Borough.

CERTIFICATION PROCEEDINGS

FY84-FY87

EXHIBIT II

CATEGORY	FY84	FY85	FY86	FY87
New Certificates	17	16	36	22
Amendments	20	10	20	10
Certificate Transfers	6	6	3	9
Acquisitions	2	1	3	2
TOTAL	45	33	62	43
CATV	7	3	8	6
Electric	5	9	24	15
Gas	2	1	0	0
Pipeline	2	1	0	0
Refuse	7	2	7	11
Telecommunications	11	5	9	7
Wastewater	5	4	6	2
Water	6	8	8	2
TOTAL	45	33	62	43

Tariff Revisions.

The majority of the Commission's workload is comprised of responding to requests of regulated entities for changes to their tariffs. Exhibit III quantifies the annual number of tariff requests the Commission has received from regulated utilities and pipeline carriers since FY84. The Commission continues to take final action on over 85% of all tariff requests within 45 days.

FY87 has shown an increase in the number of tariff filings in response to the electric service and safety regulations which became effective in January, 1987. Electric utilities whose tariffs were not in compliance with the Commission's regulations were required to conform their tariffs to the new regulations or to seek a waiver from compliance.

TARIFF REVISIONS - ACTIONS TAKEN
Exhibit III

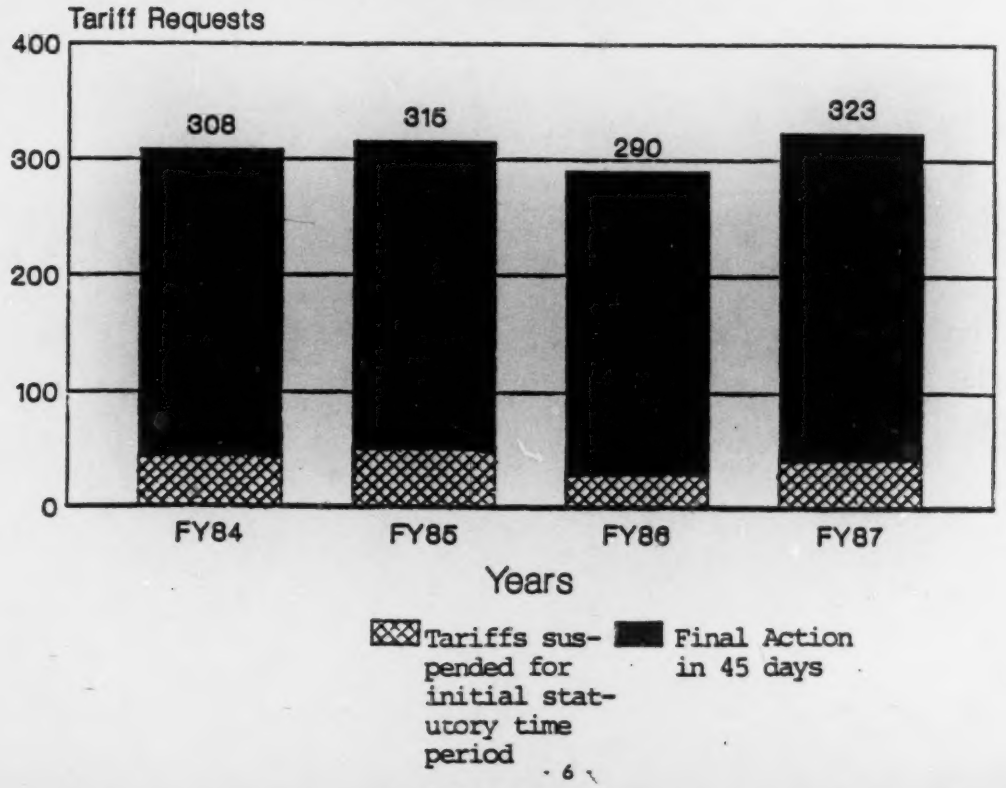


Exhibit IV shows a statistical breakdown of requests for changes in the tariffs of regulated utilities and pipeline carriers from FY84 through FY87. Each discrete request is counted once--whether it includes one proposed tariff change or many proposed tariff changes. In addition, there is no additional weight given to a filing which includes significant, complex, or highly unusual issues. While these shortcomings of the count do tend to undervalue the workload equivalents, the count nevertheless provides a continuing standard by which to measure a portion of the workload of the Commission.

REQUESTED CHANGES TO

UTILITY AND PIPELINE TARIFFS

FY84-FY87

EXHIBIT IV

CATEGORY	FY84	FY85	FY86	FY87
General Rate Increases	14	21	12	17
General Rate Restructurings	2	2	4	4
Non-recurring Rates	17	38	1	14
Fuel and Purchase Power Surcharges; [3] Power Cost Equalization Filings; Non-Firm Power Purchase Rates	210	205	170	172
Change in Rules	20	17	19	59
New Service/Equipment Offerings	5	13	24	18
Contracts	4	7	5	8
Miscellaneous	36	12	42	31
TOTAL	308	315	290	323

[3] Surcharge filings also include gas cost and wholesale power cost rate adjustments.

According to the figures on the preceding page, there was a 12% increase in the total requests for tariff changes between FY86 and FY87. This change is significant given the decrease in Commission Staff and the type of tariff changes which were requested.

There has been significant fluctuation over the past few years in the number of filings which request changes to non-recurring rates. These rates are generally one-time charges for such services as initial service connections, reconnections after disconnection, or late charges--the common thread is that the charges do not recur on a customer's monthly bill.

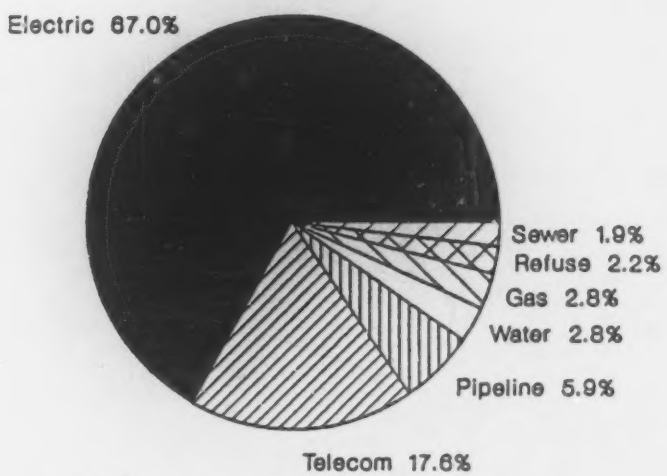
In the past few years, changes in non-recurring rates have resulted not only from changes in the costs underlying the rates but also from changes in the philosophical approach to these charges and in some cases from federally mandated changes. As regulation has become more sophisticated and more attention has been paid to allocating costs to the "cost causer," there has been a general trend toward making these rates reflect the actual cost of the service to which they are attached. This trend was most obvious in FY85 when almost every telephone utility in the state updated its non-recurring rates to reflect decisions by the Federal Communications Commission. Because most of the utilities had recently reviewed their non-recurring rates, FY86 saw almost no filings; in FY87 the utilities again began to review the costs for their non-recurring services, resulting in the substantial increase in filings.

The "rules" category covers a wide variety of topics: deposits, line extensions, billing policies, etc. Several utilities requested rules changes in FY87 to reflect 1986 legislation requiring utilities to pay interest on deposits which exceed $100. The most significant aspect of the FY87 rules requests was not the large increase in the number of filings, but that several

of those filings were complete revisions of all the rules of the utility. Normally the Commission receives one or two such filings annually; however, in FY87 the Commission received almost a dozen such filings from a variety of utilities, including electric, telephone, and refuse.

Exhibit V is a summary, by utility type and pipeline carriers, of the tariff filings received during FY87. Consistent with all historical data, the majority of the Commission's workload is in the electric and telephone utility area. However, FY87 shows a preponderance of the Commission's workload was in the electric utility area.

SUMMARY OF FY87 TARIFF FILINGS
EXHIBIT V



Filing by Entity Type

Formal Proceedings (Excluding Certifications).

Besides the certification and tariff action proceedings discussed previously, the Commission institutes proceedings to consider matters such as rate and rule changes; complaints against utilities and pipeline carriers; and investigations into quality of service and management practices, to name a few. Also included in these types of proceedings are rate restructurings, which often generate more consumer interest than percentage increases in rates. In FY87 rate restructuring proceedings were opened for ENSTAR Natural Gas Company; Anchorage Water and Wastewater Utility; Alascom, Inc.; Kodiak Electric Association, Inc.; and Chugach Electric Association, Inc.

Exhibit VI shows a 39% increase in FY87 in the number of non-certification dockets that were opened. The categories are self-explanatory.

FORMAL PROCEEDINGS

(Excluding Certification Proceedings)

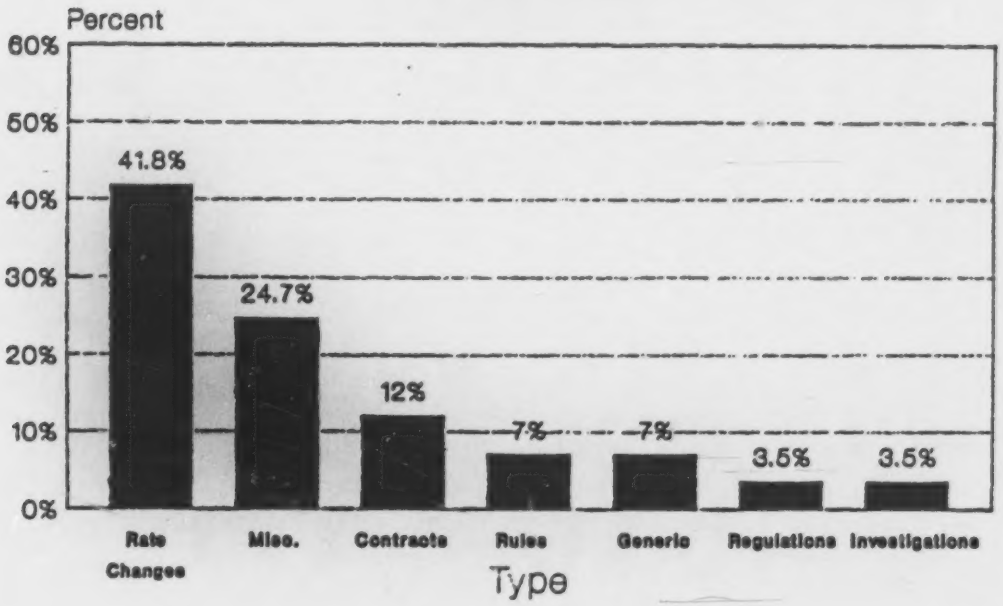
FY84-FY87

EXHIBIT VI

DOCKET CATEGORY	FY84	FY85	FY86	FY87
General Rate Increases/Decreases	11	11	10	7
Rate Restructurings	5	2	6	6
Rates - Other	7	10	8	11
Change in Rules	8	5	0	4
New Service/Equipment Offerings	0	0	1	0
Contracts	2	1	3	7
Quality of Service	2	1	0	0
Management Practices	0	2	0	2
Generic Proceedings	1	2	0	4
Regulations (Commission Initiated)	1	0	2	2
Interconnect Agreements	0	0	0	0
Miscellaneous	5	7	11	14
TOTAL	42	41	41	57

Exhibit VII demonstrates that rate-related cases presented for Commission determination make up 41% of the total formal proceedings opened in FY87, excluding requests relating to certificates of public convenience and necessity.

COMPOSITION OF FY87 FORMAL PROCEEDINGS
(Other Than Certification Proceedings)
EXHIBIT VII



Orders.

Exhibit VIII reflects a 49% increase in the number of substantive orders issued by the Commission in FY87. Substantive Commission orders reflect findings and conclusions based on evidence included in the formal record of Commission proceedings. Procedural orders relate to procedures and schedules for disposing of a case.

The Change in Caseload shown on Exhibit VIII indicates a 4% decrease in pending cases which is the result of continuing efforts to improve case management procedures including the timely closing of dockets.

APUC ORDERS ISSUED

FY84-FY87

EXHIBIT VIII

ORDERS BY CATEGORY	FY84	FY85	FY86	FY87
Substantive	160	134	168	250
Procedural	245	267	338	174
TOTAL	405	401	506	424

CHANGE IN CASELOAD

FY84-FY87

Pending Cases Beginning of Year	249	251	225	185
New Dockets Opened	87	74	103	100
Dockets Closed	85	100	143	108
Pending Cases End of Year	251	225	185	177
Percent Change in Pending Caseload	+1%	-10%	-18%	-4%

Open Dockets.

The Status of All Open Dockets (Exhibit IX) is divided into two major categories. Active Dockets are those in which substantive decisions are pending; while Inactive Dockets are those in which the substantive decision has been rendered, but additional action, either administrative or procedural, is still necessary.

STATUS OF ALL OPEN DOCKETS

(Comparison Between FY86 and FY87)

EXHIBIT IX

ACTIVE DOCKETS

	Suspended Under Investigation	Set for Hearing	Awaiting Additional Filing	Awaiting Written Commission Decision	Substantive Order in Process	Other/ Regulations	Total
FY87	70	14	8	14	10	7	123
FY86	78	19	3	27	0	2	129

INACTIVE DOCKETS

(Post Substantive Order)

	Awaiting Supplement Filing	Awaiting Cost Allocation/ Closing Order	Subsequent Phase Not Yet Scheduled	Court Appeals	Other/ Reconsideration	Total
FY87	7	37	0	8	2	54
FY86	15	32	2	6	1	56

FY 87 Total Open Dockets	177
FY 86 Total Open Dockets	185

Complaints.

An important public protection and information function of the Commission is its response to complaints and concerns of utility consumers and shippers of pipeline carriers. As shown in Exhibit X, the total number of complaints processed during FY87 declined significantly in the quality of service and service availability and line extension categories. The decreased demand on the utilities for new services reduced the number of complaints associated with the extension of public utility facilities, from 229 in FY86 to 99 in FY87. In addition, the adoption of service and safety standards for regulated electric utilities resolved a number of consumer issues and assisted in the reduction of consumer complaints regarding billing practices and quality of service. A significant number of complaints received by the Commission in FY87 were not attributable to specific problems, but rather to generic consumer concerns regarding the spiraling increase in utility rates due to the revenue shortfall experienced by many regulated utilities.

INFORMAL COMPLAINTS BY CATEGORY

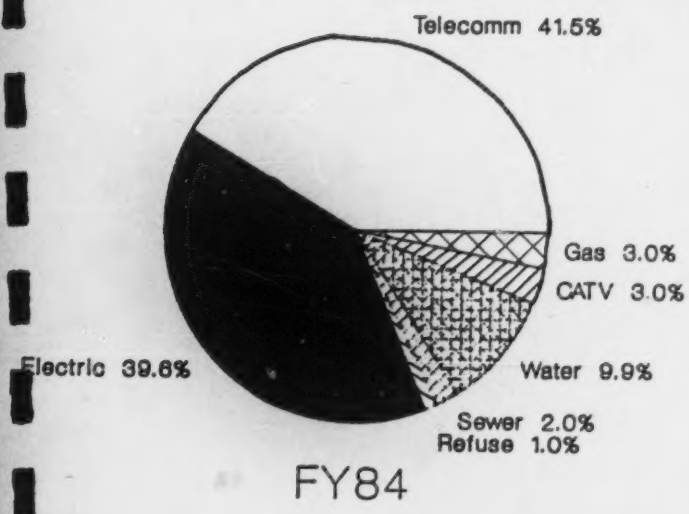
FY84-FY87

EXHIBIT X

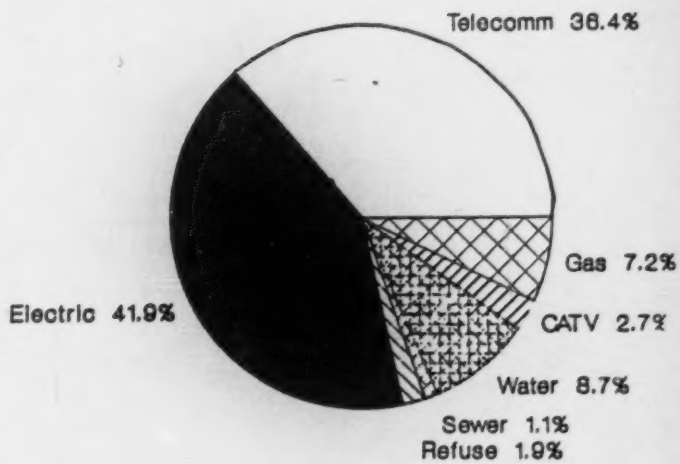
CATEGORY	FY84	FY85	FY86	FY87
Billing Practices	282	312	251	236
Rates and Charges	345	410	169	150
Quality of Service	378	274	252	141
Service Availability and Line Extensions	323	291	229	99
TOTAL	1,328	1,287	901	626

Exhibit XI reveals that the electric and telephone utilities continue, as expected, to generate the majority of informal complaints. These types of utilities account for the greatest number of customers, the largest plant investment, and the most frequent regulatory activities.

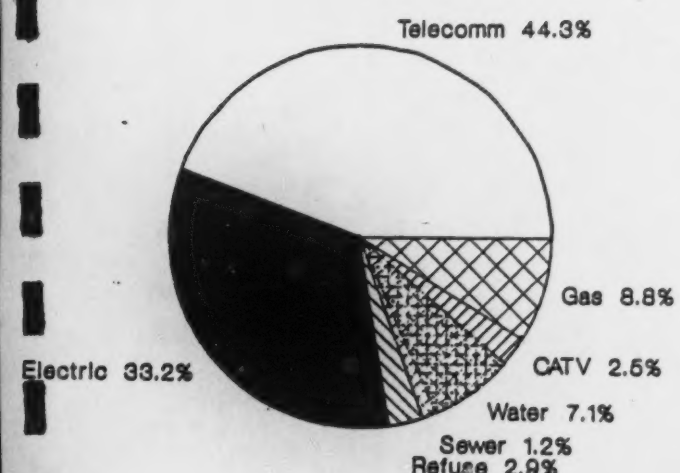
COMPOSITION OF INFORMAL COMPLAINTS
BY ENTITY TYPE
EXHIBIT XI



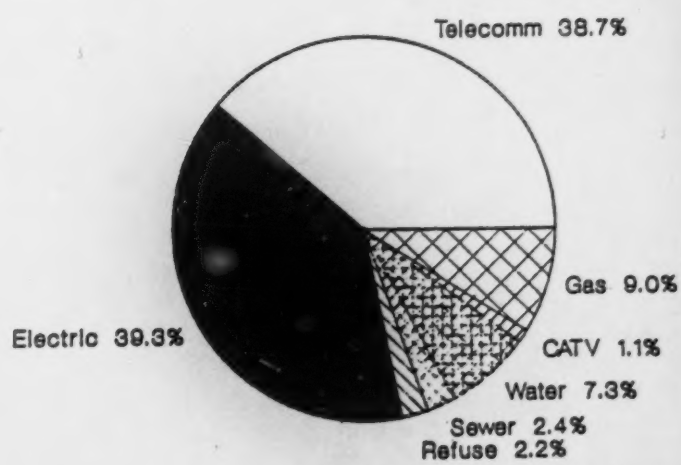
FY84



FY85



FY86



FY87

Exhibit XII, Contact Summary, details the number of telephone contacts and conferences of the Consumer Protection Staff over the past several years; most notably, the FY87 statistics reflect the substantive reduction in the Consumer Protection Section.

CONSUMER PROTECTION/PUBLIC INFORMATION

CONTACT SUMMARY

FY84-FY87

EXHIBIT XII

CATEGORY	FY84	FY85	FY86	FY87
Telephone Contacts [4]	6,654	7,017	6,147	4,563
Conferences [5]	299	277	195	136

In addition, the impact of the personnel reduction is evident in the increase in the number of unresolved complaints at the end of FY87 as shown in Exhibit XIII.

INFORMAL COMPLAINT FILE ACTIVITY

FY84-FY87

EXHIBIT XIII

	FY84	FY85	FY86	FY87
Pending Complaints Beginning of Year	105	112	99	106
New Complaints Received	239	643	878	610
Complaints Resolved	232	656	871	548
Pending Complaints End of Year	112	99	106	134
Percentage Change in Pending Complaints	+7%	-12%	+7%	+26%

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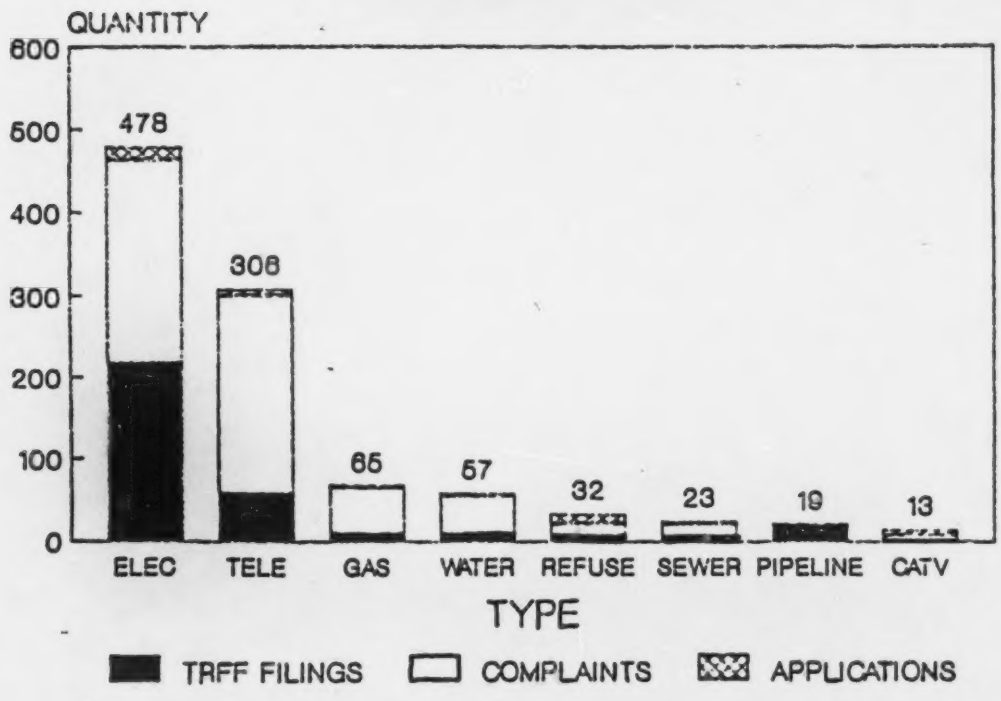
[4] Includes incoming and outgoing calls.

[5] Includes meetings with consumers, utility or pipeline carrier personnel, media representatives, and other persons concerned with matters pending before the Commission.

If an entity is not satisfied with resolution of an informal complaint, the Commission's regulations provide procedures for instituting a formal complaint. Most complaints, however, are resolved through the informal complaint procedure. If a formal complaint is accepted by the Commission for adjudication, a docket is opened to investigate the issues. In FY87, six formal complaints were filed with the Commission.

Exhibit XIV graphs the Commission's reactive responsibilities responding to utility and pipeline carrier requests and consumer and shipper concerns. It reinforces earlier data that electric and telephone utilities dominate the Commission's workload, especially in the areas of tariff filings and complaints.

SUMMARY OF FILINGS
EXHIBIT XIV



The next section of this report (Significant Events) documents significant Commission activity which occurred during FY87 and discusses events anticipated for FY88. The operating results section presents financial information for CALENDAR YEAR 1986, which is the latest audited data available.

SIGNIFICANT EVENTS

SIGNIFICANT EVENTS

ENERGY

Power Cost Equalization.

The Commission determines the amount of the subsidy that each eligible utility in the Power Cost Equalization (PCE) program receives. (AS 44.83.162--44.83.164.) As of December 31, 1987, there were 27 regulated electric utilities and 72 unregulated utilities receiving assistance under the program. The Commission has established procedures to monitor the kilowatt hours (KWH) sold and the expenses of utilities participating in the program. Any time a regulated utility is authorized a rate change, the PCE is reviewed and changed, if necessary; unregulated utilities are required to submit an annual update of PCE information in order for the Commission to determine whether the PCE assistance should be changed.

Certification.

An electric utility with revenues of more than $50,000 annually is required by law to have a certificate of public convenience and necessity. The Commission's participation in administering the PCE program has resulted in the identification of a number of electric utilities with gross revenues in excess of $50,000. Combined with the requirement of the Alaska Power Authority that a utility requesting a loan from that agency must also have a certificate, the certification workload of the Commission remains quite substantial. In FY87 permanent certificates were granted to the City of Ouzinkie, Chefornak Light and Power, the City of Tenakee Springs, Ungusraq Power Company, Kwig Power Company, Thomas Bay Power Authority, the City of Ruby, and the City of

Thorne Bay. Additional service areas were also granted to the Alaska Village Electric Cooperative, Inc., and the City of Seward. The Commission finds that a significant amount of Staff time is necessary to assist small utilities in securing and providing the documentation required for certification, as well as for participation in the PCE program discussed above.

Chugach Electric Association, Inc.'s Requests for Rate Increases and Changes in Its Rate Design.

In FY87 the Commission approved a request of Chugach Electric Association, Inc. (Chugach), which resulted in an overall 9.19% increase in rates for its retail customers and an overall 6.69% decrease in rates for its wholesale customers: Matanuska Electric Association, Inc. (MEA); Homer Electric Association, Inc. (HEA); and the City of Seward. (These rate changes equate to an overall rate change of 3.46%). Among the issues which were decided and which affected the aforementioned rate changes were the allocation of interest coverage requirements between generation/transmission plant and distribution plant; the allocation of reserve capacity to "all requirements" and "contract" customers (HEA as a contract customer of Chugach is entitled to receive and must pay for the delivery of 70 megawatts annually.); and the appropriate accounting treatment of revenues received by Chugach from the Municipality of Anchorage d/b/a Municipal Light and Power Department of Anchorage (ML&P) to resolve the boundary dispute between the two utilities. Chugach has appealed the Commission's rate decision in Superior Court. It is contesting the allocation of reserve capacity ordered by the Commission.

Because of the current economic situation resulting in dramatic decreases in revenues, pending before the Commission are additional requests from Chugach to increase revenues by a total of 4.89% and to change its rate

structure to conform to the reserve capacity allocation it advocates. A hearing is scheduled for April 1988.

Barrow Utilities and Electric Cooperative, Inc.'s Request for a Rate Reduction and Rate Design Change.

Although Barrow Utilities and Electric Cooperative, Inc. (BUECI), requested and received an interim 19.70% reduction in its electric rates, upon review by Staff it was determined that the permanent rate reduction should be greater. The utility agreed, and the rates were reduced by a total of 24.40%. In addition, the Commission accepted a change in BUECI's rate design which reduced the number of blocks from four to two, which more closely conforms to the Commission policy that flat rates are the preferred standard rate form.

Complaint of Alaska Energy Management Against Golden Valley Electric Association, Inc.

After two years of procedural motions and hearings, the Commission determined the avoided cost which Golden Valley Electric Association, Inc. (GVEA), must pay to Alaska Energy Management (AEM). A cogenerator, AEM, requested determination by the Commission, as required by the Public Utility Regulatory Policies Act of 1978 (PURPA), of the cost which it is entitled to receive from GVEA for electric power that it plans to generate at its proposed facility in Healy. The issues resolved by the Commission decision were how to determine both the energy and capacity costs. Approximately a year after GVEA's load reaches 120 megawatts, the utility will be required to purchase energy and capacity from AEM at a rate equal to the costs of a natural gas-fired turbine. Prior to that time, GVEA will be required to purchase energy only at a rate equal to the fuel cost of GVEA's oil-fired turbines. Even

though GVEA has appealed the Commission's decision in Superior Court, the Commission expects that the terms and conditions of the contract that are still in dispute will be established within this fiscal year.

Complaint of SGI International, Inc., Against the Municipality of Anchorage d/b/a Municipal Light & Power Department.

SGI International, Inc. (SGI), a qualifying facility under PURPA, was unable to enter into a satisfactory contract with ML&P for the sale of electricity to be generated by SGI from its projected facility. Therefore, based on PURPA, it requested an order from the Commission prohibiting ML&P from signing a contract with the Alaska Power Authority to purchase Bradley Lake power. The Commission declined to grant SGI's request; however, it required ML&P to file any contract it signed for Bradley Lake power with the Commission for approval in accordance with AS 42.05.431(b). A retroactive change to this section of the Commission's statute is currently being considered by the Legislature in order to meet the construction schedule for the Bradley Lake project. It is not known at this time what effect a statutory change will have on this complaint, but there will be additional decisions in this proceeding in FY88.

Economy Energy and Wheeling Issues on the Anchorage-Fairbanks Intertie.

The regulated railbelt utilities (Chugach, ML&P, GVEA, MEA, and HEA) agreed on a formula to price economy energy sales which included an $.008 per KWH cap on profit and requested Commission approval of this formula. However, these utilities could not agree on whether Chugach and GVEA, which sell power transported on their own systems to another utility, had to include the agreed-upon "wheeling rate" in their sales price to the purchasing utility, and, thus, they requested a Commission determination on this matter. After

approving the stipulated formula, the Commission heard argument on the disputed issue and determined that utilities selling economy energy utilizing their own facilities do not have to include a "wheeling rate" in their cost of economy energy. Evidence in this proceeding indicated that substantial sales of economy energy are occurring from utilities located in the Anchorage area to utilities in the Fairbanks area.

Complaints of Mat-Su Energy Company and Valley Energy Company Against Matanuska Electric Association, Inc.

Mat-Su Energy Company and Valley Energy Company are qualifying facilities under PURPA that have a legal right to sell electricity they generate to MEA. Because negotiations with MEA were unsatisfactory, the qualifying facilities requested Commission determination of MEA's avoided costs in order for rates to be established at which MEA would have to purchase power from these qualifying facilities. Issues in these proceedings include how to set avoided costs for MEA which purchases its power from Chugach and whether MEA is an "all requirements" customer of Chugach. Hearings have been delayed because of extensive discovery requests (requiring the hiring of a discovery master); it is anticipated that hearings will be held before the end of 1988 if all discovery issues have been resolved by that time.

ENSTAR Natural Gas Company's Request for a Rate Design Change.

Following the establishment in late FY86 of permanent rate increases for ENSTAR Natural Gas Company (ENSTAR), which included a partial refund of an interim rate increase, extensive testimony was taken during public hearings on ENSTAR's request to redesign its rates. Issues raised in the hearing by the power customers of ENSTAR (ML&P, Chugach, and the Department of Defense)

included the allocation of the distribution costs of ENSTAR to the power customers and whether there should be individual or class rates for the power customers. In approving a rate redesign for ENSTAR, the Commission also required the utility to reduce its revenue requirement by 3.5% to reflect the effect of the Tax Reform Act of 1986. An outstanding issue was set for further hearing: Should ENSTAR require contracts with its power customers in order to assure that it would incur minimal or no take-or-pay penalties for gas supplies it has acquired based on its historical customer demand?

Request by Alaska Electric Generation and Transmission Cooperative, Inc., To Withdraw Its Application for Statewide Certification.

Alaska Electric Generation and Transmission Cooperative, Inc. (AEG&T), withdrew its application for statewide certification in favor of procedures, spelled out in a stipulation, which will be used when AEG&T wants to add areas to its existing certificate. The Commission granted the withdrawal and the establishment of agreed-to procedures.

Follow-up on Gwitchyaa Zhee Utility Company's Fuel Purchasing Practices.

As a result of allegations that Gwitchyaa Zhee Utility Company was purchasing fuel at a higher price through an affiliate than was available from another dealer, the Commission has required the utility to establish formal bidding and reporting procedures for its fuel procurement. In the event that the fuel is purchased from an affiliate of the utility, the utility is required to itemize all components of the cost of fuel.

Load Management Seminar.

In response to a request of the Commission, Alaska Electric Light & Power Company (AEL&P) of Juneau held a workshop on load management for interested electric utilities. The Commission has acknowledged and commended AEL&P for its efforts in establishing an innovative and successful load management plan and provided an opportunity for those utilities selling more than 100 million KWH annually that are required to file a load management plan with the Commission to learn from the experiences of AEL&P.

Least Cost Energy Conference.

In conjunction with the Department of Community and Regional Affairs, the Commission co-sponsored a conference on Least Cost Energy Planning in Anchorage. This annual energy-related event continues to draw interest from the consumer and regulated energy sectors. Commission participation on panels and in assisting in finding knowledgeable speakers for the program contributed to a successful two-day conference.

Deregulation.

In FY87 deregulation elections were held for customers of Nelson Lagoon Electric Cooperative, Inc.; Manokotak Power Company; and Eagle Power Company, Inc. The majority of the customers of each of these utilities voted to become deregulated. In addition, the Commission waived regulation of rates for Tuntutuliak Community Services Association, Inc., and economic regulation for Chitina Electric, Inc.

In FY86 the Commission was directed by the Legislature to provide a simplified procedure for electric cooperative utilities to secure rate increases. The only utility to take advantage of Commission procedures adopted

in August 1986 is MEA. With its Board's approval, MEA has adjusted its rates on a quarterly basis since April 1987. Because the simplified ratemaking procedure appears to be working well for one cooperative, it is anticipated that other electric cooperative utilities will take advantage of this alternative approach to traditional regulation.

TELECOMMUNICATIONS

Revised Regulations of General Communications, Inc., To Provide Intrastate Telephone Service.

In FY87 the Commission held a hearing on the regulations proposed by General Communications, Inc. (GCI), to allow competition in intrastate long distance service in selected urban areas. As a result of comments received from United Utilities, Inc.; the Alaska Telephone Association; the Alaska Consumer Advocacy Program; the Municipality of Anchorage d/b/a Anchorage Telephone Utility (ATU); Alascom, Inc. (Alascom); and the Commission Staff, GCI requested Commission approval to submit a second draft of its proposed regulations which would respond to the issues raised by the commenting parties. These regulations were filed in July 1987, noticed and scheduled for written comment by December 1987, and are to be addressed in a hearing scheduled to begin in February 1988. The redrafted regulations submitted by GCI incorporate changes in the rural support mechanism, the determination of an exchange access charge rate, and minimum toll carrier service quality standards, as well as a number of administrative procedures for effecting competition. A Commission decision on the redrafted regulations is not expected before the end of FY88.

Determination of Alascom, Inc.'s Revenue Requirement and Consideration of Proposed Rate Design Changes.

After a lengthy and complex proceeding, the Commission in December 1986 determined a revenue deficiency of 5.47% for Alascom. Of particular note was the issue of the appropr ate treatment of extra settlement funds received by Alascom from American Telephone & Telegraph Company. The Commission's decision is currently being reviewed by the Superior Court.

Initially Alascom's revenue deficiency was to be collected through intrastate operator assistance charges (person-to-person and third-party billing calls) and charges for intrastate directory assistance. It was determined that the latter was not possible due to Alascom's inability to distinguish between local and intrastate directory assistance inquiries (Alascom has contracts with some local exchange telephone companies to provide directory assistance.). In addition, the opposition to the application of operator assistance charges from coin telephones was substantial. Because this issue was before the Commission at the same time Alascom was required to revise its revenue requirement to account for changes as a result of the Tax Reform Act of 1986, one rate change was granted which took into consideration the revenue overage and deficiency and resulted in a decrease of .4% to portions of Alascom's existing intrastate rates.

The Commission anticipates a great deal of interest in the changes Alascom is proposing to its current rate structure. In addition to changes in pricing philosophy which could result in substantial rate adjustments for some long distance subscribers, Alascom is recommending that the Commission implement subscriber line charges. Alascom estimates these charges would average $4.00 per month per line. The technical hearing on the proposed rate design

is scheduled in October 1988. It is expected that the teleconference network will be used to provide a forum for all Alaskans to provide comments on the proposed changes.

Complaint of Alascom, Inc., Against the Anchorage Telephone Utility.

As a result of lengthy hearings which addressed issues that affect the settlement payments between Alascom and ATU, the Commission determined that ATU must pay to Alascom approximately $22,000,000 in excess revenues which ATU withheld during the years 1980-1985. This does not include interest or additional issues which were raised by both parties after the hearings were completed. ATU has appealed this decision to the Superior Court.

Applications of Anchorage Telephone Utility and Yukon Telephone Company, Inc., To Provide Service in the Portage Valley Area.

The Commission did not find either ATU or Yukon Telephone Company, Inc., fit to provide permanent local exchange telephone service in the Portage Valley area after public hearing in FY87. Both applications for certificates for public convenience and necessity were rejected; however, each utility may correct the noted deficiencies in its respective operation and application and resubmit a request for certification after May 29, 1988. Currently, ATU is providing service on an interim basis to the few people living in the area.

Complaint of Alascom, Inc., Against General Communications, Inc.

The issue of whether GCI is providing intrastate long distance service without a certificate from the Commission was set for hearing in FY87. However, due to disputes involving discovery of certain information by both parties, the hearing has been delayed until FY89. The Commission agreed to allow its Staff to withdraw from this proceeding based on the observation that

there was no public interest issue raised which warranted the expenditure of Staff resources which would not otherwise be addressed adequately by GCI and Alascom.

Remand of Glacier State Telephone Company Appeal.

The Supreme Court upheld the majority of the Commission's decision in awarding a permanent rate increase to Glacier State Telephone Company (GSTC) and requiring a partial refund of interim rates. The only issue that was remanded to the Commission was the determination of a reasonable rate of return based on current rather than historic economic conditions. GSTC and Staff filed a stipulation seeking to resolve this issue, which was ultimately accepted in part and rejected in part by the Commission subject to conditions. Following resolution of the remand issue, the utility was required to institute the refund previously ordered by the Commission in the proceeding.

Cable Television Activities.

The Commission adopted regulations defining procedures to be used and information to be filed in the event there is a dispute between a cable television operator and the owner of the electric or telephone poles which house the cable for the television operations.

The Commission granted the transfer of McCaw Communications of Alaska, Inc., which provided cable television service in Fairbanks, Ketchikan, Juneau, and Sitka to Cooke Cablevision, Inc. (Cooke). Subsequent to that transfer, Gerstein Communications applied for a certificate to provide cable television service in the Fairbanks area which overlaps part of the Cooke service area. It is expected that this issue will go to hearing in FY88.

The Commission also granted the transfer of the certificate to provide cable television service in the Matanuska-Susitna Borough from Matanuska Telephone Association, Inc., to Matanuska Valley Cablevision, Inc. New certificates to provide cable television service were granted to Supervision Cable T.V. for Ruby, Tanana, and Whittier and to Shishmaref Native Corporation for the community of Shishmaref.

Federal Communications Commission Joint Board.

Upon Commissioner Marvin Weatherly's retirement, the Chairman of the Federal Communications Commission (FCC) appointed Susan Knowles as one of four state regulators to a Joint Board[1] of the FCC that is charged with reconciling the policies of rate integration and competition in the Alaska interstate market for long distance telephone service. It is anticipated that this Joint Board will submit its recommendation to the FCC during FY89.

GARBAGE, WATER, AND SEWER

Complaint of Colville Environmental Services, Inc., Against the North Slope Borough.

Colville Environmental Services, Inc. (Colville), filed a complaint with the Commission alleging that the North Slope Borough (NSB) which holds a certificate to provide garbage and refuse service in some of the area that is also certificated to Colville is interfering with Colville's ability to operate under its certificate. Drill site permits issued by the NSB required the

[1]Joint Boards are convened to address particular complex telecommunications issues which are jurisdictional to the federal Commission but which have a significant effect on state policy. The recommendations of the Joint Boards are submitted to the FCC which, in most instances, accept them *in toto*.

permit holders to use the refuse services of the NSB. The NSB has counter-claimed that the 1981 agreement between these two utilities which resulted in competition in refuse service in part of the NSB has been violated by Colville. The matter has been to hearing; and a final decision is expected before the end of the fiscal year.

Investigations into the Rates and Operations of Drake's Sanitation, Inc.; Interior Services; and Far North Sanitation Service, Inc., in Fairbanks.

Investigations were instituted into the rates charged by both Drake's Sanitation, Inc., and Interior Services as a result of complaints filed by the Commission Staff and the Fairbanks North Star Borough (FNSB) that both utilities' existing rates were too high. As a result, both utilities are operating with interim, refundable rates and are required to file documentation justifying the level of rates currently being charged. In its complaint against Interior Services, the FNSB also alleged, among other things, that service had deteriorated to the point it was creating health hazards in the Fairbanks area and that it was unable to contact any personnel of the utility to correct the situation. The Commission granted the FNSB a temporary certificate to provide garbage collection service to clean-up the health hazard, and the FNSB and Interior have been working together to further reduce the FNSB's service concerns.

Responding to concerns outlined by the Commission Staff, the Commission also instituted an investigation into the appropriateness of the rates being charged by Far North Sanitation Service, Inc., in its Fairbanks service area. Public hearing on the justness and reasonableness of the utility's rates is set for March 1988 in Fairbanks. A decision is anticipated by the end of the fiscal year.

Applications To Provide Residential Garbage Service in the Matanuska-Susitna Borough.

As a result of the Commission's decision that limited garbage service competition in the Matanuska-Susitna Borough is in the public interest, the Commission approved the applications of MacKenzie Refuse, All Alaska Enterprises, Williwaw Services, Inc., and the Matanuska-Susitna Borough. Alma Corporation, MacKenzie Refuse, and Sutton Sanitation Services were allowed to expand their existing service areas within the Borough. Thus, limited competition is currently in effect; and the Commission is not aware of any negative impact on the consuming public.

Application of Juneau Sanitation, Inc., for Competing Service Area of Channel Sanitation, Inc.

Juneau Sanitation, Inc., submitted an application to provide garbage service in areas that are currently served by Channel Sanitation Corporation (Channel), in Juneau. A protest by Channel resulted in a hearing in Juneau in November 1987, and a decision should be issued before the end of the fiscal year.

Application of C&S Enterprises for Competing Service Area of Peninsula Sanitation Company, Inc.

C&S Enterprises filed an application to provide competing garbage service on the Kenai Peninsula which was protested by the existing certificated utility, Peninsula Sanitation Company, Inc. A hearing has been scheduled for May 1988.

Complaint of Alaska Federal Savings and Loan Against Norfolk Utilities, Inc.

Extremely complex legal issues were presented for Commission determination by Alaska Federal Savings and Loan which alleges that the current off-site assessment charge in the tariff of Norfolk Utilities, Inc., is invalid. Complicated by Court proceedings regarding the ownership of the utility and the relationship between the utility and developers of properties in the Eaglewood Subdivision in Eagle River, a Commission order is expected by the end of the fiscal year.

Anchorage Water and Wastewater Utility Rate Design.

Technical hearings were held on the proposed changes in the rate structure of the Anchorage Water and Wastewater Utility (AWWU) which resulted in a Commission order that made substantial changes to the current rate structure of the utility. The Commission determined that charges to water-metered commercial sewer customers should be based on usage rather than by classification. The Commission also agreed with representatives of the septic haulers that documentation provided by the utility did not justify its proposed increase to this class of customers. In addition, the Commission allowed the pricing of commercial sewer rates to be based on a policy of designating the strength of the affluent discharged rather than on the economic activity of the customer. Because of the substantial impact on some commercial customers as a result of the changes approved by the Commission, the utility is required to provide five months' notice to the affected customers in order to allow them to prepare for the increases in their commercial sewer rates. Several classes of residential user rates will also be increased, but, compared to the effect on some commercial customers, the increase is minimal.

PIPELINES

Settlement of Trans Alaska Pipeline System Rates from 1977-July 1986.

The settlement agreement filed and approved by the Federal Energy Regulatory Commission (FERC) which established the methodology to determine permanent rates for the shipment of oil through the Trans Alaska Pipeline System (TAPS) from its inception in 1977 until 2011 was the subject of hearing before the Commission in January 1987. Because some of the oil is shipped within the State, the rates for those shipments are jurisdictional to this Commission. After substantial technical testimony and lengthy briefs by all six parties, the Commission accepted the settlement for oil shipped until July 1986. This resulted in substantial refunds for intrastate shippers. The Commission reserved for further decision whether the methodology contained in the settlement for determining future rates for the transportation of oil within the State produces just and reasonable results. A decision on this issue is expected before July 1988.

Other TAPS Matters.

Because Petro Star, Inc., an intrastate mid-line shipper on TAPS, has protested including the costs of the marine terminal facilities and operations at Valdez in its TAPS rates, the Commission will revisit this issue which was decided by its predecessor, the Alaska Pipeline Commission, in 1980.

The issue of what is a reasonable condition for connection to the TAPS system was brought to the Commission by Arctic Energy Company which is proposing to build a refinery at Fox, Alaska, but had been unable to negotiate a contract with the TAPS carriers that included a connection site that made

UTILITY & PIPELINE
OPERATING RESULTS

its project economically feasible. It is the Commission's understanding that the TAPS carriers and the proposed shipper have reached agreement on this issue; and, therefore, the Commission will determine if there is a need to continue the proceeding.

Cook Inlet Pipe Line Company Rates.

In FY87 the Commission issued its order which established permanent rates for Cook Inlet Pipe Line Company (CIPC). This order which establishes rates for the years 1981 and 1982 results in substantial refunds to Tesoro Alaska Pipeline Company and has been appealed to the Superior Court. After further proceedings, the Commission determined that refunds should be made and that CIPC's next rate case should be processed, notwithstanding the appeal. In addition, CIPC has requested the Federal Energy Regulatory Commission to find that the decision of this Commission violates the Interstate Commerce Act. The Commission will protest this request because the position advocated by CIPC would essentially eliminate Commission jurisdiction where there are joint shipments through oil pipelines in Alaska.

OTHER MATTERS

Tax Reform Act of 1986.

Because of the impact of the Tax Reform Act of 1986 (Act) on a utility's revenue requirement, the Commission required utilities, which include in their rates a provision for the payment of income taxes, to justify continuation of rates that were established prior to the enactment of the Act. Several utilities, including ENSTAR and Alaska Power & Telephone Company, were required to reduce their rates because of the changes in the tax law. Others, including College Utilities Corp., offset rising costs with savings as a

result of the Act and did not have to request a rate increase; whereas, Alascom, Inc. reduced the amount of its documented rate deficiency with savings resulting from the Act.

Similarly, the effect of the Act on the rates of pipeline carriers is before the Commission for consideration in FY88.

New Application Form.

To facilitate application processing, the Commission adopted a new form which simplified instructions and clarified and minimized the type and amount of information required to complete an application for a certificate of public convenience and necessity.

Personnel.

Upon the retirement of Commissioner Marvin Weatherly, Carolyn Guess was designated acting chairman of the Commission until Governor Cowper appointed Susan Knowles to fill the position.

FINANCIAL INFORMATION COVERING ALL FULLY REGULATED UTILITIES
1983 - 1986
(Calendar Years)

NET PLANT	1983	1984	1985	1986
Electric	$ 761,172,055	$ 868,585,700	$ 928,106,153	$ 994,305,008
Gas	101,727,952	150,595,313	156,862,254	158,946,296
Refuse	2,761,660	4,210,976	4,534,264	5,483,768
Telephone [1]	838,174,149	845,161,739	860,562,669	746,602,472
Wastewater	36,539,312	26,724,191	31,801,878	40,164,520
Water	33,367,411	32,473,577	36,846,702	68,570,827
	$1,773,742,539	$1,927,751,496	$2,018,713,920	$2,014,072,891

TOTAL REVENUE	1983	1984	1985	1986
Electric	$266,648,553	$298,500,730	$ 337,869,851	$ 357,698,912
Gas	116,674,008	131,309,586	164,884,920	197,245,133
Refuse	9,194,910	12,603,404	15,142,654	15,560,477
Telephone [1]	492,521,502	490,132,328	531,939,681	466,533,688
Wastewater	17,203,717	20,516,932	18,541,709	19,924,881
Water	15,544,339	16,205,036	17,397,669	18,970,042
	$917,787,029	$969,268,016	$1,085,776,484	$1,075,933,133

NET INCOME	1983	1984	1985	1986
Electric	$ 22,444,650	$ 33,307,790	$ 33,967,531	$ 24,610,916
Gas	7,809,112	8,440,111	10,105,538	9,899,243
Refuse	<92,260>	374,251	651,204	180,096
Telephone [1]	104,713,290	82,131,713	75,860,609	58,580,200
Wastewater	293,171	1,624,991	1,509,274	<962,796>
Water	2,284,041	3,058,232	2,323,280	1,654,809
	$137,452,004	$128,937,088	$ 124,417,436	$ 93,962,468

USERS	1983	1984	1985	1986
Electric	162,989	172,103	188,476	194,669
Gas	62,913	70,567	73,089	77,193
Refuse	29,161	33,277	35,296	37,901
Telephone	189,523	203,733	186,517	156,764
Wastewater	38,228	41,080	43,557	45,095
Water	37,573	36,757	42,714	44,765
	520,387	557,516	569,649	556,387

[1] Includes financial data from Alascom, Inc., the long lines carrier. See pp. 62-74 for telecommunication utilities data.

FINANCIAL INFORMATION COVERING FULLY REGULATED OIL PIPELINE COMPANIES
1983-1986
(in 000's)
(Calendar Years)

	1983	1984	1985	1986
Carrier Property				
Gross	$9,799,810	$10,506,900	$9,881,973	$10,678,614
Net	$7,585,705	$ 7,682,645	$7,116,082	$ 7,245,707
Revenue				
Gross	$3,569,066	$ 3,952,577	$3,233,867	$ 3,378,978
Net	$2,725,591	$ 1,748,505	$1,348,289	$ 1,198,228
Throughput (Barrels) [1]	700,004	707,443	666,239	822,249

[1] Crude Oil

CERTIFICATED ELECTRIC UTILITIES

*Akutan, City of
Alaska Electric Light & Power Company
Alaska Electric Generation and
Transmission Cooperative, Inc.
Alaska Power & Telephone Company
Alaska Village Electric
Cooperative, Inc.
Allakaket City Energy Systems
Andreanof Electric Corporation
Aniak Light and Power Company, Inc.
Arctic Utilities, Inc.
*Atmautluak Joint Utilities
Barrow Utilities and Electric
Cooperative, Inc.
Bethel Utilities Corporation, Inc.
Bettles Light & Power, Inc.
*Chefornak Electric Company
*Chignik, City of
*Chistochina Trading Post
*Chitina Electric, Inc.
Chugach Electric Association, Inc.
*Circle Electric
Richard Hutchinson d/b/a
*Clarks Point Electric Utility
Copper Valley Electric
Association, Inc.
*Cordova Electric Cooperative, Inc.
*Diomede, City of
*Eagle Power Company, Inc.
Egegik Light and Power
Homer Lee Leonard d/b/a
*Fairbanks Municipal Utilities System
City of Fairbanks d/b/a
Far North Utilities

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[*] NOT REGULATED by Alaska Public Utilities Commission as to rates and services.

CERTIFICATED ELECTRIC UTILITIES (CONT.)

G & K, Inc.
*Galena, City of
*Glacier Highway Electric
Association, Inc.
Golden Valley Electric
Association, Inc.
*Golovin, City of
Gwitchyaa Zhee Utility Company
Haines Light & Power Company, Inc.
Homer Electric Association, Inc.
*Hughes Power & Light Company
I-N-N Electric Cooperative, Inc.
*Ipnatchiaq Electric Company
*Ketchikan, City of
*King Cove, City of
Kodiak Electric Association, Inc.
*Kotlik, City of
Kotzebue Electric Association, Inc.
*Kuiggluum Kallugvia
Kwethluk Inc. d/b/a
*Kwig Power Company
*Larsen Bay, City of
Levelock Electric Cooperative, Inc.
Manley Utility Company, Inc.
*Manokotak Power Company
Matanuska Electric Association, Inc.
McGrath Light & Power Company
Middle Kuskokwim Electric
Cooperative, Inc.
Municipal Light & Power Department
Municipality of Anchorage d/b/a
*Naknek Electric Association, Inc.
Napakiak Ircinaq Power Company
*Nelson Lagoon Electric
Cooperative, Inc.

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[*] NOT REGULATED by Alaska Public Utilities Commission as to rates and services.

CERTIFICATED ELECTRIC UTILITIES (CONT.)

*Nome Joint Utility Systems
*North Slope Borough Power and Light Systems
North Slope Borough d/b/a
Northway Power & Light, Inc.
Nushagak Electric Cooperative, Inc.
*Ouzinkie, City of
*Paxson Lodge, Inc.
Pelican Utility Company
*Petersburg, City of
*Ruby, City of
Sand Point Electric, Inc.
*Semloh Supply
Weldon S. Holmes d/b/a
*Seward, City of
*Sitka, City and Borough of
*St. Paul, City of
Tanana Power Company, Inc.
Teller Power Company
*Tenakee Springs Electric Utility Department
Tenakee Springs, City of d/b/a
*Thomas Bay Power Authority
*Thorne Bay, City of
Tlingit-Haida Regional Electrical Authority
*Tuntutuliak Community Services
Association, Inc.
*Umnak Power Company
Native Village of Nikolski d/b/a
*Unalaska, City of
*Ungusraq Power Company
*Weisner Trading Company
*Wrangell, City of
Yakutat Power, Inc.

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[*] NOT REGULATED by Alaska Public Utilities Commission as to rates and services.

ELECTRIC UTILITIES
(1986 Calendar Year)

Utility	Net Plant	Revenues: Total Revenues	Revenues: Net Income	Users
(Gross Operating Revenue greater then $5,000,000)				
Alaska Electric Generation & Transmission Cooperative, Inc.	$ 17,656,091	$ 15,607,933	$ 716,072	1
Alaska Electric Light & Power Company	35,872,288	15,660,987	1,310,906	10,515
Alaska Village Electric Cooperative, Inc. [1]	25,370,349	11,560,271	976,982	4,850
Chugach Electric Association, Inc.	369,423,874	93,467,432	5,987,774	61,226
Copper Valley Electric Association, Inc.	14,149,607	7,111,019	570,255	2,311
Golden Valley Electric Association, Inc.	132,306,354	39,475,660	3,347,802	26,052
Homer Electric Association, Inc.	79,195,776	30,777,654	1,978,327	16,916
Kodiak Electric Association, Inc.	30,831,894	12,882,697	2,282,788	4,148
Matanuska Electric Association, Inc.	105,804,648	37,689,645	4,716,026	27,991
Municipal Light & Power Department Municpality of Anchorage d/b/a	149,727,539	63,886,123	80,653 [2]	30,317
Subtotal	$960,338,420	$328,119,421	$21,967,585	184,327
(Gross Operating Revenue greater than $1,500,000 but less than $5,000,000)				
Alaska Power & Telephone Company	$ 3,308,577	$ 3,210,154	$ 491,638	1,633
Arctic Utilities, Inc. [3]	2,455,408	3,780,802	366,353	27
Barrow Utilities and Electric Cooperative, Inc.	1,258,911	1,824,644	456,410	1,244
Bethel Utilities Corporation, Inc.	2,918,474	4,184,710	78,742	1,668
Kotzebue Electric Association, Inc.	3,726,968	2,867,787	328,425	971
Nushagak Electric Cooperative, Inc.	4,550,598	2,455,853	118,908	1,083
Tlingit-Haida Regional Electrical Authority	5,434,355	2,908,115	269,561	943
Subtotal	$ 23,653,291	$ 21,232,065	$ 2,110,037	7,569

[1] Communities being furnished electric utility service by Alaska Village Electric Cooperative, Inc.

Alakanuk	Hooper Bay	New Stuyahok	Scammon Bay
Ambler	Huslia	Noatak	Selawik
Andreafsky	Kaltag	Noorvik	Shageluk
Anvik	Kasigluk	Nulato	Shaktoolik
Chevak	Kiana	Nunapitchuk	Shishmaref
Eek	Kivalina	Old Harbor	Shungnak
Elim	Koyuk	Pilot Station	Stebbins
Emmonak	Lower Kalskag	Pitkas Point	Togiak
Gambell	Marshall	Quinhagak	Toksook Bay
Goodnews Bay	Mekoryuk	St. Marys	Tununak
Grayling	Minto	St. Michael	Upper Kalskag
Holy Cross	Mountain Village	Savoonga	Wales

[2] Net income before extraordinary loss of refinancing of long term debt of $19,697,598.

[3] Information Presented for Year Ended 6/30/86.

ELECTRIC UTILITIES (CONT.)
(1986 Calendar Year)

Utility	Net Plant	Revenues: Total Revenues	Revenues: Net Income	Users
(Gross Operating Revenue greater than $500,000 but less than $1,500,000)				
Aniak Light and Power Company, Inc.	$ 454,372	$ 594,764	$ 4,946	151
G & K, Inc.	779,905	727,206	(73,023)	69
Gwitchyaa Zhee Utility Company [1]	536,352	681,783	(52,669)	296
Haines Light & Power Company, Inc.	1,109,865	1,151,309	69,279	746
I-N-N Electric Cooperative, Inc.	1,538,796	694,254	25,003	208
McGrath Light & Power Company [2]	1,099,313	983,718	129,408	237
Sand Point Electric, Inc.		(Not reported)		
Tanana Power Company, Inc.	762,337	626,895	90,175	189
Yakutat Power, Inc.	624,132	680,413	59,737	286
Subtotal	$ 6,905,072	$ 6,140,342	$ 252,856	2,182
(Gross Operating Revenue less than $500,000)				
Andreanof Electric Corporation [3]	$ 142,055	$ 93,378	$ 22,383	37
Bettles Light & Power, Inc.	298,834	402,472	526	49
Egegik Light and Power Homer Lee Leonard d/b/a	246,131	197,611	80,656	66
Far North Utilities	272,571	80,248	(15,144)	35
Levelock Electric Cooperative, Inc. [1]	69,500	146,234	17,737	(Not Rpt'd)
Manley Utility Company, Inc.	253,001	80,338	(39,832)	81
Middle Kuskokwim Electric Cooperative, Inc.	1,489,401	324,701	69,997	139
Napakiak Ircinaq Power Company	164,969	206,829	14,837	84
Northway Power & Light, Inc.	355,766	372,237	42,243	100
Pelican Utility Company		(Not Reported)		
Teller Power Company	115,997	303,036	87,035	(Not Rpt'd)
Subtotal	$ 3,408,225	$ 2,207,084	$ 280,438	591
TOTALS	$994,305,008	$357,698,912	$24,610,916	194,669

[1] Information presented for Year Ending 4/30/86.

[2] Information presented for Year Ending 9/30/86.

[3] Information presented for Year Ending 6/30/86.

1986 KWH SALES
REGULATED ELECTRIC UTILITIES

	KWH SALES		
	Residential	Commercial and Other	Total
Alaska Electric Generation & Transmission, Inc.	-0-	381,128,880	381,128,880
Alaska Electric Light & Power Company	106,043,000	109,129,000	215,172,000
Alaska Power & Telephone Company	6,128,000	11,778,000	17,906,000
Alaska Village Electric Cooperative, Inc.	11,679,975	18,177,266	29,857,241
Andreanof Electric Corporation	177,386	52,924	230,310
Aniak Light and Power Company, Inc.	532,530	1,021,720	1,554,250
Arctic Utilities, Inc.	-0-	14,000,000	14,000,000
Barrow Utilities and Electric Cooperative, Inc.	4,635,000	23,142,000	27,777,000
Bethel Utilities Corporation, Inc.	7,574,236	17,754,332	25,328,568
Bettles Light & Power, Inc.	134,000	698,100	832,100
Chugach Electric Association, Inc.	478,040,000	1,347,829,000	1,825,869,000
Copper Valley Electric Association, Inc.	11,750,000	31,820,000	43,570,000
Egegik Light and Power Homer Lee Leonard d/b/a	184,853	164,429	349,282
Far North Utilities	20,553	124,508	145,061
G & K, Inc.	406,657	2,311,726	2,718,383
Golden Valley Electric Association, Inc.	181,389,000	270,326,000	451,715,000
Gwitchyaa Zhee Utility Company	414,948	1,335,778	1,750,726
Haines Light & Power Company, Inc.	2,991,216	4,959,339	7,950,555
Homer Electric Association, Inc.	139,097,000	257,942,000	397,039,000
I-N-N Electric Association, Inc.	504,501	1,087,921	1,592,422
Kodiak Electric Association, Inc.	18,934,000	64,945,000	83,879,000
Kotzebue Electric Association, Inc.	4,845,000	8,450,000	13,295,000
Levelock Electric Cooperative, Inc.		(Not Reported)	
Manley Utility Company, Inc.	110,414	110,252	220,666
Matanuska Electric Association, Inc.	273,937,000	147,629,000	421,566,000
McGrath Light & Power Company	645,449	2,026,427	2,671,876
Middle Kuskokwim Electric Cooperative, Inc.	180,275	383,085	563,360
Municipal Light & Power Department Municipality of Anchorage d/b/a	178,374,000	808,935,000	987,309,000
Napakiak Ircinaq Power Company	161,535	138,295	299,830

1986 KWH SALES
REGULATED ELECTRIC UTILITIES (CONT.)

	KWH SALES		
	Residential	Commercial and Other	Total
Northway Power & Light, Inc.	257,963	1,105,688	1,363,651
Nushagak Electric Cooperative, Inc.	3,971,000	8,088,000	12,059,000
Pelican Utility Company		(Not Reported)	
Sand Point Electric, Inc.		(Not Reported)	
Tanana Power Company, Inc.	737,134	854,378	1,591,512
Teller Power Company		(Not Reported)	
Tlingit-Haida Regional Electrical Authority	3,936,000	4,454,000	8,390,000
Yakutat Power, Inc.	1,644,897	2,860,973	4,505,870

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES

(As of December 31, 1986 - Fuel Cost Rate Adjustments Included Where Available)

The purpose of the chart below and on the next 6 pages is to describe the electric bills paid by consumers in most communities at four different usage levels. The communities listed are those served by utilities subject to rate regulation by the Commission. For each level of usage, the chart shows the following: first, the bill for that usage; second, the portion of the bill which will be paid by the State of Alaska through the Power Cost Equalization (PCE) program; and third, the amount which the customers must pay.

A more detailed description of the PCE program is found on page 52 of this report. For communities whose residents are not eligible for PCE, the chart shows "NA."

In evaluating the information in the chart, one should keep in mind that consumption levels vary widely both among the consumers of a single utility and among different utilities. Approximate average 1986 monthly residential consumption levels for twelve utilities are shown below.

Alaska Electric Light & Power Company	985
Alaska Power & Telephone Company	405
Alaska Village Electric Cooperative, Inc.	250
Bethel Utilities Corporation, Inc.	450
Bettles Light & Power, Inc.	465
Chugach Electric Association, Inc.	720
Homer Electric Association, Inc.	810
Kodiak Electric Association, Inc.	490
Kotzebue Electric Association, Inc.	515
Middle Kuskokwim Electric Cooperative, Inc.	120
Tanana Power Company, Inc.	345
Tlingit-Haida Regional Electrical Authority	430

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES

(As of December 31, 1986 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY		100 KWH	500 KWH	1000 KWH	1500 KWH	UTILITY SERVING COMMUNITY
Anchorage	Monthly bill	12.12	42.60	80.69	118.79	Municipal Light & Power Department, Municipality of Anchorage d/b/a
	PCE credit	NA	NA	NA	NA	
	Customer bill	12.12	42.60	80.69	118.79	
Anchorage	Monthly bill	12.10	38.53	71.56	104.60	Chugach Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	12.10	38.53	71.56	104.60	
Angoon	Monthly bill	34.34	162.30	310.50	458.70	Tlingit-Haida Regional Electrical Authority
	PCE credit	21.39	106.95	160.43	160.43	
	Customer bill	12.95	55.35	150.07	298.27	
Aniak	Monthly	40.95	195.03	380.34	565.64	Aniak Light and Power Company, Inc.
	PCE credit	23.69	118.45	177.68	177.68	
	Customer bill	17.26	76.58	202.66	387.96	
AVEC Communities	Monthly bill	40.23	201.15	403.30	603.45	Alaska Village Electric Cooperative, Inc.
	PCE credit	26.84	134.20	201.30	201.30	
	Customer bill	13.39	66.95	202.00	402.15	
Barrow	Monthly bill	15.20	40.00	71.00	102.00	Barrow Utilities and Electric Cooperative, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	15.20	40.00	71.00	102.00	
Bethel	Monthly bill	21.53	89.20	165.34	241.49	Bethel Utilities Corporation, Inc.
	PCE credit	6.51	32.55	48.83	48.83	
	Customer bill	15.02	56.65	116.51	192.66	
Bettles	Monthly bill	45.80	229.00	458.00	687.00	Bettles Light & Power, Inc.
	PCE credit	32.90	164.50	246.75	246.75	
	Customer bill	12.90	64.50	211.25	440.25	
Central	Monthly bill	45.54	227.70	455.40	683.10	Far North Utilities
	PCE credit	28.30	141.50	212.25	212.25	
	Customer bill	17.24	86.20	243.15	470.85	
Chuathbaluk	Monthly bill	59.00	295.00	590.00	885.00	Middle Kuskokwim Electric Cooperative, Inc.
	PCE credit	41.80	209.00	313.50	313.50	
	Customer bill	17.20	86.00	276.50	571.50	
Chugiak	Monthly bill	19.39	56.97	103.94	147.31	Matanuska Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	19.39	56.97	103.94	147.31	
Cold Bay	Monthly bill	32.71	123.55	237.10	350.65	G & K, Inc.
	PCE credit	13.85	69.25	103.88	103.88	
	Customer bill	18.86	54.30	133.22	246.77	
Copper Center	Monthly bill	26.97	102.96	190.82	278.68	Copper Valley Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	26.97	102.96	190.82	278.68	
Craig	Monthly bill	18.22	77.54	151.69	225.84	Alaska Power & Telephone Company
	PCE credit	4.07	20.35	30.53	30.53	
	Customer bill	14.15	57.19	121.16	195.31	
Crooked Creek	Monthly bill	59.00	295.00	590.00	885.00	Middle Kuskokwim Electric Cooperative, Inc.
	PCE credit	41.80	209.00	313.50	313.50	
	Customer bill	17.20	86.00	276.50	571.50	
Delta Junction	Monthly bill	18.73	53.66	88.56	123.47	Golden Valley Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	18.73	53.66	88.56	123.47	
Dillingham	Monthly bill	26.57	100.34	186.76	273.18	Nushagak Electric Cooperative, Inc.
	PCE credit	9.55	47.75	71.63	71.63	
	Customer bill	17.02	52.59	115.13	201.55	

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES

(As of December 31, 1986 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY		100 KWH	500 KWH	1000 KWH	1500 KWH	UTILITY SERVING COMMUNITY
Douglas	Monthly bill	15.00	47.00	87.00	127.00	Alaska Electric Light & Power Company
	PCE credit	NA	NA	NA	NA	
	Customer bill	15.00	47.00	87.00	127.00	
Eagle River	Monthly bill	19.39	56.97	103.94	147.31	Matanuska Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	19.39	56.97	103.94	147.31	
Egegik	Monthly bill	56.09	280.45	560.90	841.35	Egegik Light and Power Homer Lee Leonard d/b/a
	PCE credit	38.33	191.65	287.48	287.48	
	Customer bill	17.76	88.80	273.42	553.87	
Fairbanks	Monthly bill	18.73	53.66	88.56	123.47	Golden Valley Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	18.73	53.66	88.56	123.47	
Fort Yukon	Monthly bill	42.51	152.59	252.69	352.79	Gwitchyaa Zhee Utility Company
	PCE credit	18.52	92.60	138.90	138.90	
	Customer bill	23.99	59.99	113.79	213.89	
Glennallen	Monthly bill	26.97	102.96	190.82	278.68	Copper Valley Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	26.97	102.96	190.82	278.68	
Haines	Monthly bill	22.11	73.75	132.53	186.58	Haines Light & Power Company, Inc.
	PCE credit	3.63	18.15	27.23	27.23	
	Customer bill	18.48	55.60	105.30	159.35	
Halibut Cove	Monthly bill	24.20	62.06	109.37	156.69	Homer Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	24.20	62.06	109.37	156.69	
Healy	Monthly bill	18.73	53.66	88.56	123.47	Golden Valley Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	18.73	53.66	88.56	123.47	
Homer	Monthly bill	23.16	56.85	98.95	134.94	Homer Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	23.16	56.85	98.95	134.94	
Hoonah	Monthly bill	34.34	162.30	310.50	458.70	Tlingit-Haida Regional Electrical Authority
	PCE credit	21.39	106.95	160.43	160.43	
	Customer bill	12.95	55.35	150.07	298.27	
Hope	Monthly bill	12.10	38.53	71.56	104.60	Chugach Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	12.10	38.53	71.56	104.60	
Hydaburg	Monthly bill	21.81	93.81	183.81	273.81	Alaska Power & Telephone Company
	PCE credit	7.13	35.65	53.48	53.48	
	Customer bill	14.68	58.16	130.33	220.33	
Iliamna	Monthly bill	41.57	207.85	415.70	623.55	I-N-N Electric Cooperative, Inc.
	PCE credit	33.77	168.85	253.28	253.28	
	Customer bill	7.80	39.00	162.42	370.27	
Juneau	Monthly bill	15.00	47.00	87.00	127.00	Alaska Electric Light & Power Company
	PCE credit	NA	NA	NA	NA	
	Customer bill	15.00	47.00	87.00	127.00	
Kake	Monthly bill	34.34	162.30	310.50	458.70	Tlingit-Haida Regional Electrical Authority
	PCE credit	21.39	106.95	160.43	160.43	
	Customer bill	12.95	55.35	150.07	298.27	
Kasaan	Monthly bill	34.34	162.30	310.50	458.70	Tlingit-Haida Regional Electrical Authority
	PCE credit	21.39	106.95	160.43	160.43	
	Customer bill	12.95	55.35	150.07	298.27	

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES

(As of December 31, 1986 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY		100 KWH	500 KWH	1000 KWH	1500 KWH	UTILITY SERVING COMMUNITY
Kenai	Monthly bill	23.16	56.85	98.95	134.94	Homer Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	23.16	56.85	98.95	134.94	
Klawock	Monthly bill	34.34	162.30	310.50	458.70	Tlingit-Haida Regional Electrical Authority
	PCE credit	21.39	106.95	160.43	160.43	
	Customer bill	12.95	55.35	150.07	298.27	
Kodiak	Monthly bill	22.71	83.56	159.61	235.67	Kodiak Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	22.71	83.56	159.61	235.67	
Kotzebue	Monthly bill	30.68	107.16	202.76	298.36	Kotzebue Electric Association, Inc.
	PCE credit	10.51	52.55	78.83	78.83	
	Customer bill	20.17	54.61	123.93	219.53	
Levelock	Monthly bill	43.24	216.20	432.40	648.60	Levelock Electric Cooperative, Inc.
	PCE credit	28.90	144.50	216.75	216.75	
	Customer bill	14.34	71.70	215.65	431.85	
Manokotak	Monthly bill	30.00	150.00	300.00	450.00	Manokotak Power Company
	PCE credit	21.10	105.50	158.25	158.25	
	Customer bill	8.90	44.50	141.75	291.75	
McGrath	Monthly bill	36.92	173.10	331.20	489.30	McGrath Light & Power Company
	PCE credit	24.55	122.75	184.13	184.13	
	Customer bill	12.37	50.35	147.07	305.17	
Moose Pass	Monthly bill	12.10	38.53	71.56	104.60	Chugach Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	12.10	38.53	71.56	104.60	
Napakiak	Monthly bill	47.00	235.00	470.00	705.00	Napakiak Ircinaq Power Company
	PCE credit	38.50	192.50	288.75	288.75	
	Customer bill	8.50	42.50	181.25	416.25	
Nenana	Monthly bill	18.73	53.66	88.56	123.47	Golden Valley Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	18.73	53.66	88.56	123.47	
Ninilchik	Monthly bill	23.16	56.85	98.95	134.94	Homer Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	23.16	56.85	98.95	134.94	
North Pole	Monthly bill	18.73	53.66	88.56	123.47	Golden Valley Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	18.73	53.66	88.56	123.47	
Northway	Monthly bill	25.97	129.85	259.70	389.55	Northway Power & Light, Inc.
	PCE credit	17.47	87.35	131.03	131.03	
	Customer bill	8.50	42.50	128.67	258.52	
Palmer	Monthly bill	19.39	56.97	103.94	147.31	Matanuska Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	19.39	56.97	103.94	147.31	
Pelican	Monthly bill	15.10	75.50	151.00	226.50	Pelican Utility Company
	PCE credit	2.99	14.95	22.43	22.43	
	Customer bill	12.11	60.55	128.57	204.07	
Port Graham	Monthly bill	24.20	62.06	109.37	156.69	Homer Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	24.20	62.06	109.37	156.69	
Port Lions	Monthly bill	22.71	83.56	159.61	235.67	Kodiak Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	22.71	83.56	159.61	235.67	

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES

(As of December 31, 1986 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY		100 KWH	500 KWH	1000 KWH	1500 KWH	UTILITY SERVING COMMUNITY
Red Devil	Monthly bill	59.00	295.00	590.00	885.00	Middle Kuskokwim Electric Cooperative, Inc.
	PCE credit	41.80	209.00	313.50	313.50	
	Customer bill	17.20	86.00	276.50	571.50	
Sand Point	Monthly bill	21.99	102.24	199.34	296.44	Sand Point Electric, Inc.
	PCE credit	3.58	17.90	26.85	26.85	
	Customer bill	18.41	84.34	172.49	269.59	
Seldovia	Monthly bill	24.20	62.06	109.37	156.69	Homer Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	24.20	62.06	109.37	156.69	
Skagway	Monthly bill	25.47	88.13	162.48	236.83	Alaska Power & Telephone Company
	PCE credit	4.33	21.65	32.48	32.48	
	Customer bill	21.14	66.48	130.00	204.35	
Sleetmute	Monthly bill	59.00	295.00	590.00	885.00	Middle Kuskokwim Electric Cooperative, Inc.
	PCE credit	41.80	209.00	313.50	313.50	
	Customer bill	17.20	86.00	276.50	571.50	
Soldotna	Monthly bill	23.16	56.85	98.95	134.94	Homer Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	23.16	56.85	98.95	134.94	
Sterling	Monthly bill	23.16	56.85	98.95	134.94	Homer Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	23.16	56.85	98.95	134.94	
Stony River	Monthly bill	59.00	295.00	590.00	885.00	Middle Kuskokwim Electric Cooperative, Inc,
	PCE credit	41.80	209.00	313.50	313.50	
	Customer bill	17.20	86.00	276.50	571.50	
Talkeetna	Monthly bill	19.39	56.97	103.94	147.31	Matanuska Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	19.39	56.97	103.94	147.31	
Tanana	Monthly bill	41.50	196.40	373.40	550.40	Tanana Power Company, Inc.
	PCE credit	19.05	95.25	142.88	142.88	
	Customer bill	22.45	101.15	230.52	407.52	
Teller	Monthly bill	53.75	268.75	537.50	806.25	Teller Power Company
	PCE credit	40.37	201.85	302.78	302.78	
	Customer bill	13.38	66.90	234.72	503.47	
Tok/Dot Lake	Monthly bill	22.45	97.30	186.80	266.55	Alaska Power & Telephone Company
	PCE credit	4.18	20.90	31.35	31.35	
	Customer bill	18.27	76.40	155.45	235.20	
Unalakleet	Monthly bill	40.05	129.21	240.66	352.11	Matanuska Electric Association, Inc.
	PCE credit	14.01	70.05	105.08	105.08	
	Customer bill	26.04	59.16	135.58	247.03	
Valdez	Monthly bill	23.97	89.86	169.82	249.18	Copper Valley Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	23.97	89.86	169.82	249.18	
Wasilla	Monthly bill	19.39	56.97	103.94	147.31	Matanuska Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	19.39	56.97	103.94	147.31	
Whittier	Monthly bill	12.10	38.53	71.56	104.60	Chugach Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	12.10	38.53	71.56	104.60	
Willow	Monthly bill	19.39	56.97	103.94	147.31	Matanuska Electric Association, Inc.
	PCE credit	NA	NA	NA	NA	
	Customer bill	19.39	56.97	103.94	147.31	

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES

(As of December 31, 1986 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY		100 KWH	500 KWH	1000 KWH	1500 KWH	UTILITY SERVING COMMUNITY
Yakutat	Monthly bill	22.47	90.55	167.90	240.25	Yakutat Power, Inc.
	PCE credit	4.19	20.95	31.43	31.43	
	Customer bill	18.28	69.60	136.47	208.82	

POWER COST EQUALIZATION

Power Cost Equalization (PCE) is a program under which the State of Alaska pays a portion of the electric bills for consumers served by utilities participating in the program. Participation in the PCE program is limited by statute to utilities meeting certain requirements. For example, during 1984 a utility must have used diesel-fired generators to produce more than 75% of the electrical consumption of the utility; and if a utility served a single community, its 1983 residential sales eligible for PCE could not have exceeded 7,500,000 KWH.

The Commission sets the PCE amount (cents/KWH) applicable to each utility's customers, regardless of whether the utility is otherwise subject to the Commission's economic regulation. The PCE amount varies according to the utility's rates and its costs of producing electricity. In most cases, the PCE per KWH is the same for all the customers of a utility, but it may vary by rate schedule.

Generally PCE reduces the cost for each KWH up to 750 KWH per month per customer. Customers designated as "community facilities" are entitled to PCE in the aggregate for each community served by the utility for actual consumption up to 70 KWH per month for each resident of the community. For example, if a utility served one community with a population of 150 and two community facilities, those two community facilities together would be entitled to PCE for their total consumption up to 10,500 KWH per month.

The chart below shows the utilities participating in PCE as of December 31, 1986, and the PCE applicable to their residential customers.

PCE PARTICIPANT	PCE AMOUNT (cents/KWH)
Akiachak Limited	26.79
Akiak City Council	18.07
Akutan, City of	14.50
Alaska Power & Telephone Company	
-Craig	4.07
-Hydaburg	7.13
-Skagway	4.33
-Tok	4.18
Alaska Village Electric Cooperative, Inc.	26.84
Allakaket City Energy Systems	41.80
Alutiiq Power Company	7.13
Andreanof Electric Corporation	16.45
Aniak Light and Power Company, Inc.	23.69

PCE PARTICIPANT	PCE AMOUNT (cents/KWH)
Arctic Village Electric Co.	21.46
Atmautluak Joint Utilities	26.39
Beaver Electrical	41.50
Bethel Utilities Corporation, Inc.	6.51
Bettles Light & Power, Inc.	32.90
Birch Creek Village Electric Company	36.50
Brevig Mission	21.24
Chalkyitsik Energy Systems	40.91
Chefornak Electric Company	19.76
Chenega Bay IRA Village Council	27.76
Chignik, City of	16.23
Chitina Electric, Inc.	24.50
Circle Electric	31.75
Clark's Point Electric Utility	15.68
Coffman Cove Utilities Assn., Inc.	11.50
Cordova Electric Cooperative, Inc.	6.84
Diomede, City of	30.69
Eagle Power Company	23.40
Eagle Village Energy Systems	41.80
Egegik Light and Power Homer Lee Leonard d/b/a	38.33
Ekwok Electric	21.50
Elfin Cove	15.68
False Pass Electric Association	18.63
Far North Utilities	28.30
G & K, Inc.	13.85
Galena, City of	17.87

PCE PARTICIPANT	PCE AMOUNT (cents/KWH)
Golovin, City of	27.15
Gustavus Electric Company	38.50
Gwitchyaa Zhee Utility Company	18.52
Haines Light & Power Co., Inc.	3.63
Hughes Power & Light Company	30.20
Igiugig Village Council	35.25
I-N-N Electric Cooperative, Inc.	33.77
Ipnatchiaq Electric Company	13.90
King Cove, City of	6.28
Kobuk Village Electric	27.03
Kokhanok Village	28.99
Koliganek Village Council	21.50
Kotlik, City of	18.35
Kotzebue Electric Association, Inc.	10.51
Kuiggluum Kallugvia Kwethluk, Inc. d/b/a	23.03
Kwig Power Company	25.70
Larsen Bay, City of	22.79
Levelock Electric Cooperative, Inc.	28.90
Manley Utility Company, Inc.	23.05
Manokotak Power Company	21.10
Matanuska Electric Association, Inc.-Unalakleet	14.01
McGrath Light & Power Company	24.55
Middle Kuskokwim Electric Cooperative, Inc.	41.80
Naknek Electric Association, Inc.	13.11
Napakiak Ircinaq Power Company	38.50
Napaskiak, Inc.	38.46

PCE PARTICIPANT	PCE AMOUNT (cents/KWH)
Nelson Lagoon Electric Cooperative, Inc.	23.09
Nightmute Light Plant	14.33
Nikolai, City of	41.80
Nome Joint Utility System	8.72
North Slope Borough Power and Light System	
North Slope Borough d/b/a	
-Atqasuk, Nuiqsut	13.50
-Kaktovik, Point Hope, Wainwright	10.50
-Point Lay, Anaktuvak Pass	12.50
Northway Power & Light, Inc.	17.47
Nushagak Electric Cooperative, Inc.	9.55
Ouzinkie, City of	13.56
Pedro Bay Village Council	41.80
Pelican Utility Company	2.99
Perryville, City of	28.50
Pilot Point Village Council	24.18
Port Heiden, City of	11.50
Puvurnaq Power Company	16.80
Rampart Village Council	41.80
Ruby, City of	31.56
St. George Municipal Electric Utility	30.09
St. Paul, City of	15.74
Sand Point Electric, Inc.	3.58
Sheldon Point Electric Company	19.43
Stevens Village Council	41.80
Takotna Community Association	14.73
Tanana Power Company, Inc	19.05
Tatitlek	29.17

PCE PARTICIPANT	PCE AMOUNT (cents/KWH)
Telida Village Utility	41.80
Teller Power Company, Inc.	40.37
Tenakee Springs Electric Utility Department Tenakee Springs, City of d/b/a	25.13
Tetlin Village Energy System	26.50
Thorne Bay, City of	14.12
Tlingit-Haida Regional Electric Authority	21.39
Tulkisarmute	21.50
Tuntutuliak Community Services Association, Inc.	19.19
Umnak Power Company Native Village of Nikolski d/b/a	33.50
Unalaska, City of	10.89
Ungusraq Power Company	22.52
Venetie Village Council	7.22
White Mountain Utilities	35.59
Yakutat Power, Inc.	4.19

CERTIFICATED GARBAGE AND REFUSE UTILITIES

*All Alaska Enterprises
Mike Downs d/b/a
*Alma Corporation
*Anchorage, Municipality of
Anchorage Refuse, Inc.
*Aniak Disposal Service
Ronald N. Choate d/b/a
*Beluga Environmental Services, Inc.
*Bob's Disposal Service
Bobby C. Pate d/b/a
Channel Sanitation Corporation
*Colville Environmental Services
*Copper Valley Construction Company
*Delta Sanitation
Joe Peters d/b/a
*Dillingham Refuse, Inc.
Drake's Sanitation, Inc.
Eagle River Refuse, Inc.
*Fairbanks, City of
Department of Public Works
Far North Sanitation Service, Inc.
*Haines Sanitation
Frank E. & Arla L. Shull d/b/a
Interior Services
Ralph E. Bartlett d/b/a
*Irwin's Garbage Disposal
*J. D. Refuse Service
Delores R. Burnham d/b/a
Kodiak Sanitation, Inc.

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[*] NOT REGULATED by Alaska Public Utilities Commission as to rate and services.

CERTIFICATED GARBAGE AND REFUSE UTILITIES (CONT.)

*MacKenzie Refuse
*March Disposal
Robert Marlow & George Chapman d/b/a
*Matanuska Susitna Borough
*McGrath Trash and Refuse
*Naabia Niign, Ltd.
*North Slope Borough
*Palmer, City of
*Patterson (Earl) Sanitation
& Refuse Service, Inc.
Peninsula Sanitation Company, Inc.
*Petersburg, City of
*Seward Service
Herman E. Leirer d/b/a
*Skagway, City of
*Sutton Sanitation Services
*Thorne Bay, City of
*Tongass Sanitation
Wallace A. & Diana L. Crowe d/b/a
*Valdez Alaska Terminals, Inc.
Wasilla Refuse, Inc. [1]
*Williwaw Services, Inc.

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[*] NOT REGULATED by Alaska Public Utilities Commission as to rates and services.

[1] Wasilla Refuse, Inc., is the holder of two refuse utility certificates for service in the Palmer/Wasilla area because of its acquisition of Anderson Refuse.

GARBAGE AND REFUSE UTILITIES
(1986 Calendar Year)

Utility	Net Plant	Total Revenues	Net Income	Customers
(Gross Operating Revenue greater than $200,000)				
Anchorage Refuse, Inc.	$2,617,879	$ 8,399,070	$145,050	25,926
Channel Sanitation Corporation	403,430	2,124,581	(244,896)	4,793
Drake's Sanitation, Inc. [1]	151,535	366,396	95,131	221
Eagle River Refuse, Inc.	131,199	822,398	1,095	3,946
Far North Sanitation, Inc.	1,615,724	1,249,356	59,202	752
Kodiak Sanitation, Inc. [2]	76,217	582,295	(51,550)	280
Peninsula Sanitation Company, Inc. [3]	252,395	1,350,321	85,804	1,340
Wasilla Refuse, Inc. [4]	235,389	666,060	90,260	643
TOTAL	$5,483,768	$15,560,477	$180,096	37,901

SAMPLE MONTHLY RESIDENTIAL REFUSE RATES
(As of December 31, 1986)

COMMUNITY	1 RECEPTACLE 1 PICK-UP/ WEEK	2 RECEPTACLES 1 PICK-UP/ WEEK	UTILITY
Anchorage	$ 10.88	$ 10.88	Anchorage Refuse, Inc.
Eagle River	11.01(4)	11.01	Eagle River Refuse, Inc.
Fairbanks	6.00	6.00	Far North Sanitation Service, Inc.
Fairbanks	12.00	12.00	Drake's Sanitation, Inc.
Girdwood/Alyeska	11.50	11.50	Peninsula Sanitation Company, Inc.
Homer	9.23	12.98	Peninsula Sanitation Company, Inc.
Hope-Turnagain Arm	11.50	11.50	Peninsula Sanitation Company, Inc.
Juneau	18.44	18.44	Channel Sanitation Corporation
Kenai	10.13	10.13	Peninsula Sanitation Company, Inc.
Kodiak	5.50	5.50	Kodiak Sanitation, Inc.
Mat-Su Valley	20.00	[illegible].00 [4]	Wasilla Refuse, Inc.

[1] Information Presented for Year Ended 4/30/86

[2] Information Presented for 10/1/85 through 12/31/86

[3] Information Presented for Year Ended 6/30/87

[4] Information Presented for Year Ended 3/31/87

CERTIFICATED GAS UTILITIES

Alaska Pipeline Company

Barrow Utilities and Electric Cooperative, Inc.

ENSTAR Natural Gas Company
(A division of Seagull Energy Corporation)

*Kenai, City of

STEAM HEAT UTILITY

*Fairbanks Municipal Utilities System
City of Fairbanks d/b/a

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[*] Not Regulated by Alaska Public Utilities Commission as to rates and services.

GAS UTILITIES
(1986 Calendar Year)

Utility	Net Plant	Total Revenues	Net Income	Users
(Gross Operating Revenue greater than $5,000,000)				
ENSTAR Natural Gas Company [1] (a division of Seagull Energy Corporation)	$158,343,213	$196,485,975	$9,805,291	76,289
Subtotal	$158,343,213	$196,485,975	$9,805,291	76,289
(Gross Operating Revenue greater than $500,000 but less than $1,500,000)				
Barrow Utilities and Electric Cooperative, Inc.	$ 603,083	$ 759,158	$ 93,952	904
Subtotal	$ 603,083	$ 759,158	$ 93,952	904
TOTALS	$158,946,296	$197,245,133	$9,899,243	77,193

SAMPLE MONTHLY RESIDENTIAL GAS RATES
(As of December 31, 1986)

COMMUNITY	MINIMUM BILL	AVERAGE BILL	APPROXIMATELY AVERAGE MONTHLY CONSUMPTION (MCF)	UTILITY SERVING COMMUNITY
Anchorage	$ 4.50	$52.13	15.3	ENSTAR Natural Gas Company
Barrow	11.00	34.04	17.8	Barrow Utilities and Electric Cooperative, Inc.
Eagle River	4.50	52.13	15.3	ENSTAR Natural Gas Company
Kenai	8.40	34.10	15.3	ENSTAR Natural Gas Company
Palmer	4.50	52.13	15.3	ENSTAR Natural Gas Company
Soldotna	4.50	52.13	15.3	ENSTAR Natural Gas Company
Wasilla	4.50	52.13	15.3	ENSTAR Natural Gas Company

[1] Combined information for ENSTAR Natural Gas Company and Alaska Pipeline Company

TELECOMMUNICATIONS UTILITIES

CERTIFICATED CABLE TELEVISION UTILITIES*

Alaska Cablevision, Inc. [1]
Alyeska Cable Company
ASRC Communications, Ltd.
Bay Cablevision, Inc.
Bethel Cablevision, Inc.
Cable Company, Inc., The
Cooke Cablevision, Inc. [2]
Dillingham Cablevision, Inc.
Eyecom, Inc. [3]
Hoonah Tlingit & Haida Community Council
Lynn Canal Cable Vision
  Jack W. Brown d/b/a
M^2PDC, Inc.
Matanuska Valley Cablevision, Inc.
McCaw Communications of Alaska, Inc.
McCaw/Rock Seward Cable System
McGrath Broadcasting Company
Mt. Dutton Cable Corporation
Pelican Utility Company
Shishmaref Native Corporation
Skagway Network Television
  Jack W. Brown d/b/a
Sonic Cable Television of Alaska, Inc.
Supervision Cable T.V.
Thorne Bay Community T.V., Inc.
UniVista, Inc.

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[*]NOT REGULATED by Alaska Public Utilities Commission as to rates and services.

[1] Alaska Cablevision, Inc., is the holder of six CATV certificates for providing service to Cordova, Kodiak, Kotzebue, Nome, Valdez and Wrangell.

[2] Cooke Cablevision, Inc., is the holder of three CATV certificates for providing service to Sitka, Ketchikan, Juneau, and Fairbanks that were transferred from McCaw Communications.

[3] Eyecom, Inc., is the holder of three CATV certificates for providing service to City of Galena, Galena Air Force Base, Unalaska, and Port Lions.

TELECOMMUNICATIONS UTILITIES

CERTIFICATED RADIO COMMON CARRIER UTILITIES [1]

Cermak's Tundra Service
Gordon L. Cermak d/b/a

Communications Equipment & Service, Inc.

Girl Friday Communications
Girl Friday, Inc. d/b/a

Ketchikan Public Utilities
Ketchikan, City of d/b/a

Keyes Point Communications, Inc.

Kodiak Radio, Inc.

Lloyd V. Morris & Associates

McCaw RCC Communications of Fairbanks, Inc.

Prudhoe Communications, Inc.

Radio Communications, Inc.

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[1] The Commission, on its own motion, economically deregulated Radio Common Carriers in 1982. These utilities continue to be subject to certification by the Commission. (AS 42.05.221 -- 42.05.281.)

TELECOMMUNICATIONS UTILITIES

CERTIFICATED TELEPHONE UTILITIES

Alascom, Inc.

Anchorage Telephone Utility
Municipality of Anchorage d/b/a

Arctic Slope Telephone Association Cooperative, Inc.

*Bettles Telephone, Inc.

Bristol Bay Telephone Cooperative, Inc.

Bush-Tell, Incorporated

Copper Valley Telephone Cooperative, Inc.

*Cordova Telephone Cooperative, Inc.

*Fairbanks Municipal Utilities System
City of Fairbanks d/b/a

General Telephone Company of Alaska

Interior Telephone Company

*Ketchikan, City of

Matanuska Telephone Association, Inc.

Mukluk Telephone Company, Inc.

National Utilities, Inc.

North Country Telephone Company

Nushagak Telephone Cooperative, Inc.

OTZ Telephone Cooperative, Inc.

*South Central Radar & Communications

*Summit Telephone Company
The Summit Telephone & Telegraph Company of Alaska d/b/a

Telephone Utilities of Alaska, Inc.

Telephone Utilities of the Northland, Inc.

United Utilities, Inc.

Yukon Telephone Company, Inc.

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[*] NOT REGULATED by Alaska Public Utilities Commission as to rates and services.

TELECOMMUNICATION UTILITIES
(Long Lines and Local Exchange Carriers)
(1986 Calendar Year)

Utility	Net Plant	Total Revenues	Net Income	Main Access Lines
(Gross Operating Revenue greater than $4,000,000)				
Alascom, Inc.	$348,898,669	$285,570,085	42,408,180	N/A
Anchorage Telephone Utility Municipality of Anchorage d/b/a	211,211,708	99,287,224	9,158,593	114,937
Arctic Slope Telephone Association Cooperative, Inc.	3,846,074	4,269,799	382,182	831
General Telephone Company of Alaska	11,643,807	8,323,312	1,066,865	10,212
Matanuska Telephone Association, Inc.	89,724,640	26,088,604	126,909	(Not Reported)
Telephone Utilities of Alaska, Inc.	22,219,214	15,907,288	2,347,227	12,346
Telephone Utilities of the Northland, Inc.	18,292,992	9,084,162	469,645	6,754
United Utilities, Inc.	12,976,596	5,218,275	371,921	3,229
Subtotal	$718,813,700	$453,748,749	$56,331,522	148,309
(Gross Operating Revenue greater than $1,000,000 but less than $4,000,000)				
Bristol Bay Telephone Cooperative, Inc.	3,319,955	1,612,174	311,425	870
Bush-Tell, Incorporated	1,911,480	1,012,157	107,483	442
Copper Valley Telephone Cooperative, Inc.	9,834,755	3,391,470	762,829	2,785
Interior Telephone Company		(Not Reported)		
Mukluk Telephone Company, Inc.	2,696,964	1,310,212	213,876	(Not Reported)
National Utilities, Inc.	1,752,895	1,205,243	132,715	1,454
Nushagak Telephone Cooperative, Inc.	3,521,591	1,646,156	192,173	1,116
OTZ Telephone Cooperative, Inc.	4,044,785	1,947,334	375,275	1,429
Subtotal	$27,082,425	$12,124,746	$2,095,776	8,096
(Gross Operating Revenue less than $1,000,000)				
Yukon Telephone Company, Inc.	706,347	660,193	152,902	359
Subtotal	706,347	660,193	152,902	359
TOTAL	$746,602,472	$466,533,688	$58,580,200	156,764

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES
(As of December 31, 1986)

Responding to Federal Communication Commission directives issued in 1982, this Commission required all regulated local exchange utilities to unbundle (break down) their monthly telephone rates into separate components for Customer Premised Equipment, inside wiring, and access lines. The rates shown below are rates for those separate components.

RESIDENTIAL RATES

Community	Access Line	Inside Wiring [1]	Basic Telephone Instrument	Utility Serving Community
Akhiok	$17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Akiachak	15.50	$0.60	$1.05	United Utilities, Inc.
Akiak	15.50	0.60	1.05	United Utilities, Inc.
Akutan	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Alakanuk	15.50	0.60	1.05	United Utilities, Inc.
Allakaket	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Ambler	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Anaktuvuk Pass	7.30	3.20	1.50	Arctic Slope Telephone Association Cooperative, Inc.
Anchorage [3]	6.75	[4]	1.10	Anchorage Telephone Utility Municipality of Anchorage d/b/a
Angoon	8.70	2.00	0.95	Telephone Utilities of the Northland, Inc.
Aniak	11.65	0.90	1.50	Bush-Tell, Incorporated
Anvik	11.65	0.90	1.50	Bush-Tell, Incorporated
Arctic Village	15.50	0.60	1.05	United Utilities, Inc.
Atka	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Atkasuk	7.30	3.20	1.50	Arctic Slope Telephone Association Cooperative, Inc.

[1] Per access line

[2] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

[3] Anchorage Telephone Utility has 8 zones in the Anchorage exchange. The access lines vary from $6.75 in Zone 1 to $11.10 in Zone 46.

[4] The access line rate includes $2.73 per month inside wiring charge.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1986)

Community	Access Line	Inside Wiring [1]	Basic Telephone Instrument	Utility Serving Community
Atmautluak	15.50	0.60	1.05	United Utilities, Inc.
Barrow	12.25	1.15	0.70	General Telephone Company of Alaska
Beaver	15.50	0.60	1.05	United Utilities, Inc.
Bethel	11.35	1.15	0.70	General Telephone Company of Alaska
Big Lake	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Birch Creek	15.50	0.60	1.05	United Utilities, Inc.
Bird	9.85	[3]	1.10	Anchorage Telephone Utility Municipality of Anchorage d/b/a
Brevig Mission	14.20	0.30	1.00	Mukluk Telephone Company, Inc.
Buckland	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Candle	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Cantwell	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Central	15.50	0.60	1.05	United Utilities, Inc.
Chalkyitsik	15.50	0.60	1.05	United Utilities, Inc.
Chefornak	15.50	0.60	1.05	United Utilities, Inc.
Chevak	15.50	0.60	1.05	United Utilities, Inc.
Chignik	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Chignik Lagoon	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Chignik Lake	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Chitina	14.00	1.05	1.05	Copper Valley Telephone Cooperative, Inc.
Chuathbaluk	15.50	0.60	1.05	United Utilities, Inc.
Chugiak	13.80	1.90	1.00	Matanuska Telephone Association, Inc.
Circle Hot Springs	15.50	0.60	1.05	United Utilities, Inc.
Clark's Point	26.25	2.15	0.95	Nushagak Telephone Cooperative, Inc.
Clear	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Coffman Cove	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.

[1] Per access line

[2] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

[3] The access line rate includes $2.73 per month in inside wiring charge.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1986)

Community	Access Line	Inside Wiring [1]	Basic Telephone Instrument	Utility Serving Community
Cold Bay	$24.85	$0.85	$0.80	Interior Telephone Company
Cooper Landing	28.40	0.85	0.80	Interior Telephone Company
Craig	8.60	0.20	2.20	National Utilities, Inc.
Crooked Creek	11.65	0.90	1.50	Bush-Tell, Incorporated
Deadhorse	7.30	3.20	1.50	Arctic Slope Telephone Association Cooperative, Inc.
Deering	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Delta Junction	27.80	[2]	1.95	Telephone Utilities of the Northland, Inc.
Dillingham	14.00	2.15	0.95	Nushagak Telephone Cooperative, Inc.
Dot Lake	10.95	0.30	1.60	National Utilities, Inc.
Douglas	11.85	[3]	2.10	Telephone Utilities of Alaska, Inc.
Eagle River	13.80	1.90	1.00	Matanuska Telephone Association, Inc.
Eek	15.50	0.60	1.05	United Utilities, Inc.
Egegik	17.50	[4]	[4]	Telephone Utilities of the Northland, Inc.
Ekuk	26.25	2.15	.95	Nushagak Telephone Cooperative, Inc.
Ekwok	14.35	4.40	1.85	Bristol Bay Telephone Cooperative, Inc.
Elfin Cove	17.50	[4]	[4]	Telephone Utilities of the Northland, Inc.
Elim	14.20	0.30	1.00	Mukluk Telephone Company, Inc.
Emmonak	15.50	0.60	1.05	United Utilities, Inc.
English Bay	17.50	[4]	[4]	Telephone Utilities of the Northland, Inc.
False Pass	17.50	[4]	[4]	Telephone Utilities of the Northland, Inc.
Ft. Greely	27.80	[2]	1.95	Telephone Utilities of the Northland, Inc.
Ft. Richardson	7.55	[5]	1.10	Anchorage Telephone Utility Municipality of Anchorage d/b/a
Ft. Wainwright	3.55	3.65	1.10	Telephone Utilities of Alaska, Inc.
Ft. Yukon	24.85	0.85	0.80	Interior Telephone Company

[1] Per access line.

[2] The access line rate includes $4.94 per month inside wiring charge.

[3] At this location the monthly rate is for inside wiring and the access line.

[4] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

[5] The access line rate includes $2.73 per month inside wiring charge.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1986)

Community	Access Line	Inside Wiring [1]	Basic Telephone Instrument	Utility Serving Community
Galena	$28.40	$0.85	$0.80	Interior Telephone Company
Gambell	15.50	0.60	1.05	United Utilities, Inc.
Girdwood	8.20	[2]	1.10	Anchorage Telephone Utility Municipality of Anchorage d/b/a
Glacier View	20.90	1.90	1.00	Matanuska Telephone Association, Inc.
Glennallen	11.30	1.05	1.05	Copper Valley Telephone Cooperative, Inc.
Golovin	14.20	0.30	1.00	Mukluk Telephone Company, Inc.
Goodnews Bay	15.50	0.60	1.05	United Utilities, Inc.
Grayling	11.65	0.90	1.50	Bush-Tell, Incorporated
Gustavus	8.70	2.00	0.95	Telephone Utilities of the Northland, Inc.
Haines	7.05	1.15	0.70	General Telephone Company of Alaska
Halibut Cove	17.50	[3]	[3]	Telephone Utilities of the Northland, Inc.
Healy	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Hobart Bay	17.50	[3]	[3]	Telephone Utilities of the Northland, Inc.
Holy Cross	11.65	0.90	1.50	Bush-Tell, Incorporated
Homer	19.10	[4]	1.95	Telephone Utilities of the Northland, Inc.
Hoonah	8.70	2.00	0.95	Telephone Utilities of the Northland, Inc.
Hooper Bay	15.50	0.60	1.05	United Utilities, Inc.
Hope	8.20	[2]	1.10	Anchorage Telephone Utility Municipality of Anchorage d/b/a
Hughes	17.50	[3]	[3]	Telephone Utilities of the Northland, Inc.
Huslia	17.50	[3]	[3]	Telephone Utilities of the Northland, Inc.
Hydaburg	8.60	0.20	2.20	National Utilities, Inc.
Hyder	3.45	1.15	0.70	General Telephone Company of Alaska
Igiugig	14.35	4.40	1.85	Bristol Bay Telephone Cooperative, Inc.
Iliamna	28.40	0.85	0.80	Interior Telephone Company

[1] Per access line

[2] The access line rate includes $2.73 per month inside wiring charge.

[3] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

[4] The access line rate includes $4.94 per month inside wiring charge.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1986)

Community	Access Line	Inside Wiring [1]	Basic Telephone Instrument	Utility Serving Community
Indian	$ 9.85	[2]	$1.10	Anchorage Telephone Utility Municipality of Anchorage d/b/a
Ivanoff Bay	17.50	[3]	[3]	Telephone Utilities of the Northland, Inc.
Juneau	11.85	[4]	2.10	Telephone Utilities of Alaska, Inc.
Kake	8.70	$2.00	0.95	Telephone Utilities of the Northland, Inc.
Kakhonak	17.50	[3]	[3]	Telephone Utilities of the Northland, Inc.
Kaktovik	7.30	3.20	1.50	Arctic Slope Telephone Association Cooperative, Inc.
Kalskag	11.65	0.90	1.50	Bush-Tell, Incorporated
Kaltag	17.50	[3]	[3]	Telephone Utilities of the Northland, Inc.
Karluk	17.50	[3]	[3]	Telephone Utilities of the Northland, Inc.
Kasaan	17.50	[3]	[3]	Telephone Utilities of the Northland, Inc.
Kasigluk	15.50	0.60	1.50	United Utilities, Inc.
Kenai	23.65	[5]	1.95	Telephone Utilities of the Northland, Inc.
Kiana	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
King Cove	28.40	0.85	0.80	Interior Telephone Company
King Salmon	18.55	4.40	1.85	Bristol Bay Telephone Cooperative, Inc.
Kipnuk	15.50	0.60	1.05	United Utilities, Inc.
Kivalina	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Klawock	8.70	2.00	0.95	Telephone Utilities of the Northland, Inc.
Kobuk	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Kodiak	16.95	[5]	1.95	Telephone Utilities of the Northland, Inc.
Koliganik	14.35	4.40	1.85	Bristol Bay Telephone Cooperative, Inc.
Kongiganak	15.50	0.60	1.05	United Utilities, Inc.
Kotlik	15.50	0.60	1.05	United Utilities, Inc.

[1] Per access line

[2] The access line rate includes $2.73 per month inside wiring charge.

[3] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

[4] At this location the monthly rate is for inside wiring and the access line.

[5] The access line rate includes $4.94 per month inside wiring charge.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1986)

Community	Access Line	Inside Wiring [1]	Basic Telephone Instrument	Utility Serving Community
Kotzebue	$15.95	$1.60	$0.70	OTZ Telephone Cooperative, Inc.
Koyuk	14.20	0.30	1.00	Mukluk Telephone Company, Inc.
Kwethluk	15.50	0.60	1.05	United Utilities, Inc.
Kwigillingok	15.50	0.60	1.05	United Utilities, Inc.
Larsen Bay	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Levelock	14.35	4.40	1.85	Bristol Bay Telephone Cooperative, Inc.
Manley Hot Springs	15.50	0.60	1.05	United Utilities, Inc.
Manokotak	26.25	2.15	0.95	Nushagak Telephone Cooperative, Inc.
Marshall	15.50	0.60	1.05	United Utilities, Inc.
McGrath	11.35	1.15	0.70	General Telephone Company of Alaska
Mekoryuk	15.50	0.60	1.05	United Utilities, Inc.
Mentasta	14.00	1.05	1.05	Copper Valley Telephone Cooperative, Inc.
Meshik	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Metlakatla	7.90	1.15	0.70	General Telephone Company of Alaska
Minto	15.50	0.60	1.05	United Utilities, Inc.
Moose Pass	9.60	1.15	0.70	General Telephone Company of Alaska
Mt. Edgecumbe	8.70	2.00	0.95	Telephone Utilities of the Northland, Inc.
Mt. Village	15.50	0.60	1.05	United Utilities, Inc.
Naknek	14.35	4.40	1.85	Bristol Bay Telephone Cooperative, Inc.
Napakiak	15.50	0.60	1.05	United Utilities, Inc.
Napaskiak	15.50	0.60	1.05	United Utilities, Inc.
Nelson Lagoon	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Nenana	27.80	[3]	1.95	Telephone Utilities of the Northland, Inc.
New Chenega Bay	15.50	0.60	1.05	United Utilities, Inc.
New Stuyahok	14.35	4.40	1.85	Bristol Bay Telephone Cooperative, Inc.
Newtok	15.50	0.60	1.05	United Utilities, Inc.

[1] Per access line

[2] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

[3] The access line rate includes $4.94 per month inside wiring charge.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1986)

Community	Access Line	Inside Wiring [1]	Basic Telephone Instrument	Utility Serving Community
Nightmute	$15.50	$0.60	$1.05	United Utilities, Inc.
Nikolai	15.50	0.60	1.05	United Utilities, Inc.
Nikolski	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Ninilchik	23.65	[3]	1.95	Telephone Utilities of the Northland, Inc.
Noatak	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Nome	7.90	1.15	0.70	General Telephone Company of Alaska
Nondalton	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Noorvik	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
North Pole	27.80	[3]	1.95	Telephone Utilities of the Northland, Inc.
Northway	15.25	2.00	0.95	Telephone Utilities of the Northland, Inc.
Nuiqsut	7.30	3.20	1.50	Arctic Slope Telephone Association Cooperative, Inc.
Nulato	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Nunapitchuk	15.50	0.60	1.05	United Utilities, Inc.
Old Harbor	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Ouzinkie	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Palmer	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Pedro Bay	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Pelican	7.65	2.00	0.95	Telephone Utilities of the Northland, Inc.
Perryville	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Petersburg	9.60	1.15	0.70	General Telephone Company of Alaska
Pilot Point	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Pilot Station	15.50	0.60	1.05	United Utilities, Inc.
Platinum	15.50	0.60	1.05	United Utilities, Inc.
Point Baker	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Point Hope	7.30	3.20	1.50	Arctic Slope Telephone Association Cooperative, Inc.
Point Lay	7.30	3.20	1.50	Arctic Slope Telephone Association Cooperative, Inc.
Port Alexander	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.

[1] Per access line

[2] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

[3] The access line rate includes $4.94 per month inside wiring charge.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1986)

Community	Access Line	Inside Wiring [1]	Basic Telephone Instrument	Utility Serving Community
Port Alsworth	$17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Port Graham	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Port Lions	15.10	$0.85	$0.80	Interior Telephone Company
Quinhagak	15.50	0.60	1.05	United Utilities, Inc.
Rampart	15.50	0.60	1.05	United Utilities, Inc.
Red Devil	11.65	0.90	1.50	Bush-Tell, Incorporated
Ruby	17.00	0.90	2.45	Yukon Telephone Company, Inc.
Russian Mission	15.50	0.60	1.05	United Utilities, Inc.
Sand Point	15.10	0.85	0.80	Interior Telephone Company
Savoonga	15.50	0.60	1.05	United Utilities, Inc.
Scammon Bay	15.50	0.60	1.05	United Utilities, Inc.
Selawik	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Seldovia	26.05	[3]	1.95	Telephone Utilities of the Northland, Inc.
Seward	9.60	1.15	0.70	General Telephone Company of Alaska
Shageluk	11.65	0.90	1.50	Bush-Tell, Incorporated
Shaktoolik	14.20	0.30	1.00	Mukluk Telephone Company, Inc.
Sheldon Point	15.50	0.60	1.05	United Utilities, Inc.
Shishmaref	14.20	0.30	1.00	Mukluk Telephone Company, Inc.
Shungnak	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Sitka	8.70	2.00	0.95	Telephone Utilities of the Northland, Inc.
Skagway	5.55	0.15	2.25	National Utilities, Inc.
Sleetmute	11.65	0.90	1.50	Bush-Tell, Incorporated
Soldotna	23.65	[3]	1.95	Telephone Utilities of the Northland, Inc.
St. George	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
St. Marys	15.50	0.60	1.05	United Utilities, Inc.
St. Michael	14.20	0.30	1.00	Mukluk Telephone Company, Inc.
St. Paul	12.65	0.65	1.30	Telephone Utilities of the Northland, Inc.
Stebbins	14.20	0.30	1.00	Mukluk Telephone Company, Inc.
Stevens Village	15.50	0.60	1.05	United Utilities, Inc.
Stony River	11.65	0.90	1.50	Bush-Tell, Incorporated

[1] Per access line

[2] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

[3] The access line rate includes $4.94 per month inside wiring charge.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1986)

Community	Access Line	Inside Wiring [1]	Basic Telephone Instrument	Utility Serving Community
Takotna	$15.50	$0.60	$1.50	United Utilities, Inc.
Talkeetna	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Tanana	17.00	0.90	2.45	Yukon Telephone Company, Inc.
Tatitlik	14.00	1.05	1.05	Copper Valley Telephone Cooperative, Inc.
Telida	15.50	0.60	1.05	United Utilities, Inc.
Teller	14.20	0.30	1.00	Mukluk Telephone Company, Inc.
Tenakee Springs	17.50	[2]	[2]	Telephone Utilities of the Northland, Inc.
Thorne Bay	8.70	2.00	0.95	Telephone Utilities of the Northland, Inc.
Togiak	15.50	0.60	1.05	United Utilities, Inc.
Tok	10.95	0.30	1.60	National Utilities, Inc.
Toksook Bay	15.50	0.60	1.05	United Utilities, Inc.
Tuluksak	15.50	0.60	1.05	United Utilities, Inc.
Tuntutuliak	15.50	0.60	1.05	United Utilities, Inc.
Tununak	15.50	0.60	1.05	United Utilities, Inc.
Tyonek	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Unalakleet	11.35	1.15	0.70	General Telephone Company of Alaska
Unalaska	28.40	0.85	0.80	Interior Telephone Company
Valdez	9.25	1.05	1.05	Copper Valley Telephone Cooperative, Inc.
Venetie	15.50	0.60	1.05	United Utilities, Inc.
Wainwright	7.30	3.20	1.50	Arctic Slope Telephone Association Cooperative, Inc.
Wales	14.20	0.30	1.00	Mukluk Telephone Company, Inc.
Wasilla	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
White Mountain	14.20	0.30	1.00	Mukluk Telephone Company, Inc.
Whittier	17.00	0.90	2.45	Yukon Telephone Company, Inc.
Willow	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Wrangell	9.60	1.15	0.70	General Telephone Company of Alaska
Yakutat	7.65	2.00	0.95	Telephone Utilities of the Northland, Inc.

[1] Per access line

[2] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

CERTIFICATED WASTEWATER UTILITIES

Anchorage Water and Wastewater Utility
Municipality of Anchorage d/b/a
Barrow Utilities and Electric
Cooperative, Inc.
College Utilities Corp.
*Copper Valley Construction Company
*Cordova, City of
*Craig, City of
*Dillingham, City of
*Fairbanks Municipal Utilities System
City of Fairbanks d/b/a
*Galena, City of
*Haines, City of
*Homer, City of
*Hoonah, City of
*Juneau, City and Borough of
*Kake, City of
*Kenai, City of
*Ketchikan Gateway Borough
*Kodiak, City of
*Kotzebue Municipal Utilities,
City of Kotzebue d/b/a
*Nenana, City of
*Nome Joint Utility Systems
*North Pole, City of
North Pole Utility d/b/a
*North Slope Borough Utilities

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[*] NOT REGULATED by Alaska Public Utilities Commission as to rates and services.

CERTIFICATED WASTEWATER UTILITIES (CONT.)

*Palmer, City of
*Petersburg, City of
*Rangeview Utilities
Salmantof Utilities, Inc.
*Saxman, City of
*Seldovia, City of
Settlers Bay Properties, Inc.
*Seward, City of
*Sitka, City and Borough of
*Skagway, City of
*Soldotna, City of
*Thorne Bay, City of
*Valdez, City of
*Wasilla, City of
*Whittier, City of
*Wrangell, City of

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[*] NOT REGULATED by Alaska Public Utilities Commission as to rates and services.

WASTEWATER UTILITIES
(1986 Calendar Year)

Utility	Net Plant [1]	Total Revenues	Net Income	Users
(Gross Operating Revenue greater than $1,000,000)				
Anchorage Wastewater Utility Municipality of Anchorage d/b/a	$38,237,651	$18,068,173	$(1,061,630)	43,545
College Utilities Corp. [2]	1,926,869	1,323,533	97,280	1,547
Subtotal	$40,164,520	$19,391,706	$(964,350)	45,092
(Gross Operating Revenue less than $250,000)				
Barrow Utilities and Electric Cooperative, Inc.	--- [3]	$ 533,175	$ 1,554	3
Salmantof Utilities, Inc.		(Not Reported)		
Settlers Bay Properties, Inc.		(Not Reported)		
Subtotal		533,175	1,554	3
TOTALS	$40,164,520	$19,924,881	$ (962,796)	45,095

SAMPLE MONTHLY RESIDENTIAL WASTEWATER RATES
(As of December 31, 1986)

COMMUNITY	FLAT RATE	UTILITY SERVING COMMUNITY
Anchorage Eagle River Girdwood	$ 15.85	Anchorage Water and Wastewater Utility Municipality of Anchorage d/b/a
Fairbanks	30.85 [4]	College Utilities Corp.
Kenai	13.50	Salmantof Utilities, Inc.
Settlers Bay	10.50	Settlers Bay Properties, Inc.

[1] Net of contributions in aid of construction which consist of assessments or grants from customers or other sources which are used to fund plant construction costs.

[2] Information Presented for Year Ended 11/30/86.

[3] Wastewater Plant Not Segregated from Water, Gas, or General Plant.

[4] Average Single Family Metered Bill.

CERTIFICATED WATER UTILITIES

Alpat Water Utility Company
Alyeska Utilities, Inc.
Anchorage Water and Wastewater Utility
  Municipality of Anchorage d/b/a
Barrow Utilities and Electric
  Cooperative, Inc.
Chugiak Utilities
College Utilities Corp.
*Copper Valley Construction Company
*Cordova, City of
*Craig, City of
Dawn Development Corporation
*Dillingham, City of
Eagle Utilities, Inc.
Eklutna Utilities, Inc.
ERU, Inc.
*Fairbanks Municipal Utilities System
  City of Fairbanks d/b/a
*Fort Yukon, City of
*Galena, City of
*Haines, City of
*Homer, City of
*Hoonah, City of
*Hydaburg, City of
*Juneau, City and Borough of
*Kake, City of
*Kenai, City of

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[*] NOT REGULATED by Alaska Public Utilities Commission as to rates and services.

CERTIFICATED WATER UTILITIES (CONT.)

*Ketchikan, City of
*Klawock, City of
*Kodiak, City of
*Kotzebue Municipal Utilities
City of Kotzebue d/b/a
Kwik Log Water System
Myron Allon Newton d/b/a
Matanuska Utility Company, Inc.
McGahan Utilities, Inc.
McKinley Utilities, Inc.
*Mountain Point Service Area of the
Ketchikan Gateway Borough
*Nenana, City of
*Nome Joint Utility Systems
Norfolk Utilities, Inc.
*North Pole, City of
North Pole Utility d/b/a
*North Slope Borough Utilities
Omlin Water Utility
*Palmer, City of
Pelican Utility Company
*Petersburg, City of
Potter Creek Water Company
*Rangeview Utilities
Rhodes, R. J. & Clara
Romig Park Improvement Company

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[*] NOT REGULATED by Alaska Public Utilities Commission as to rates and services.

CERTIFICATED WATER UTILITIES (CONT.)

*Saxman, City of
*Seldovia, City of
Settlers Bay Properties, Inc.
*Seward, City of
*Sitka, City and Borough of
*Skagway, City of
*Soldotna, City of
South Central Utilities, Inc.
Southeast Utilities Company
Robert M. Scott, Evelyn V. Scott, Charles J. Schneider and Marlene C. Schneider, S & S Development Company d/b/a
Spenard Heights Water System
Wayne Cates d/b/a
*Thorne Bay, City of
*Unalaska, City of
*Valdez, City of
Valley Water Company, Inc.
*Wasilla, City of
*Whittier, City of
*Wrangell, City of
*Yakutat, City of

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[*] NOT REGULATED by Alaska Public Utilities Commission as to rates and services.

WATER UTILITIES
(1986 Calendar Year)

Utility	Net Plant [1]	Gross Revenues	Net Income	Users
(Gross Operating Revenue greater than $1,000,000)				
Anchorage Water and Wastewater Utility Municipality of Anchorage d/b/a	$61,096,489	$15,251,896	$1,461,105	39,691
Barrow Utilities and Electric Cooperative, Inc.	-------- [2]	1,368,376	144,943 [3]	10
College Utilities Corp.	3,771,308	1,367,988	245,239	1,575
Subtotal	$64,867,797	$17,988,260	$1,851,287	41,276
(Gross Operating Revenue greater than $250,000 but less than $500,000)				
Norfolk Utilities, Inc.	1,162,300	267,859	28,443	858
Subtotal	$ 1,162,300	$ 267,859	$ 28,443	858
(Gross Operating Revenue less than $250,000)				
Alpat Water Utility Company	$ 98,451	$ 23,049	$ 10,614	76
Alyeska Utilities, Inc.	93,264	100,762	22,135	533
Chugiak Utilities	274,752	49,954	19,220	197
Dawn Development Corporation		(Not Reported)		
Eagle Utilities, Inc.		(Not Reported)		
Eklutna Utilities, Inc.	372,197	178,439	(254,361)	594
ERU, Inc.	74,063	8,445	(10,391)	32
Kwik Log Water System Myron Allon Newton d/b/a	(Not Reported)	2,700	540	23
Matanuska Utility Company, Inc.	73,309	9,542	9,076	16
McGahan Utilities, Inc.	25,595	21,011	3,116	(Not Rpt'd)
McKinley Utilities, Inc.	69,742	11,016	(1,893)	35
Omlin Water Utility	30,666	4,347	(2,628)	15
Pelican Utility Company		(Not Reported)		
Potter Creek Water Company	963,119	150	(34,439)	3
Rhodes, R.J. & Clara	39,971	18,390	1,525	139
Romig Park Improvement Company	176	12,198	10,909	83

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[1] Net of contributions-in-aid-of construction which consist of assessments or grants from customers or other sources which are used to fund plant construction costs.

[2] Water plant not segregated from wastewater, gas, or general plant.

[3] Net Operating Income, not Net Income.

WATER UTILITIES (CONT.)
(1986 Calendar Year)

Utility	Net Plant [1]	Gross Revenues	Net Income	Users
Settlers Bay Properties, Inc.		(Not Reported)		
South Central Utilities, Inc.		(Not Reported)		
Southeast Utilities Company Robert M. Scott, Evelyn V. Scott, Charles J. Schneider and Marlene C. Schneider, S & S Development d/b/a	214,563	116,103	1,656	630
Spenard Heights Water System Wayne Cates d/b/a	6,900	5,000	-0-	40
Valley Water Company, Inc. [8]	203,962	152,817	-0-	215
Subtotal	$ 2,540,730	$ 713,923	$ (224,921)	2,631
TOTAL	$ 68,570,827	$18,970,042	$1,654,809	44,765

[1] Net of contributions in aid of construction which consist of assessments or grants from customers or other sources which are used to fund plant construction costs.

SAMPLE MONTHLY RESIDENTIAL WATER RATES
(As of December 31, 1986)

COMMUNITY	LOCATION	UNMETERED FLAT RATE	UTILITY SERVING COMMUNITY
Anchorage	Anchorage	$15.65	Anchorage Water and Wastewater Utility Municipality of Anchorage d/b/a
	Highlands Subdivision	37.12 [1]	Potter Creek Water Company
	Northcreek Subdivision	37.12 [1]	Potter Creek Water Company
	Southcreek Subdivision	37.12 [1]	Potter Creek Water Company
	Kwik Log Subdivision	8.00	Kwik Log Water System Myron Allon Newton d/b/a
	Romig Park Subdivision	4.00	Romig Park Improvement Company
	Seacliff Subdivision	19.24	Rhodes, R. J. & Clara
	Spenard Heights Subdivision	10.50	Spenard Heights Water System Wayne Cates d/b/a
	Strutz and Morehand Subdivison	23.65	Alpat Water Utility Company
	Country Lane Estates	25.12 [1]	South Central Utilities, Inc.
	Taniana Valley Subdivision	25.12 [1]	South Central Utilities, Inc.
Chugiak	Chugiak	26.00	McKinley Utilities, Inc.
	North Woods Subdivision	22.50	Chugiak Utilities
	Peters Creek	25.00	Dawn Development Corporation
	Thunderbird Heights Subdivision	24.30	Eklutna Utilities, Inc.
Eagle River	Eagle River	23.50	Norfolk Utilities, Inc.
	Eagle River	15.65 [2]	Anchorage Water and Wastewater Utility Municipality of Anchorge d/b/a
	Hylen Crest Subdivision	25.00	ERU, Inc.
	Stewart Subdivision	25.00	ERU, Inc.
Fairbanks	College	36.62 [3]	College Utilities Corp.
	Lakloey Subdivision	49.71	Valley Water Company, Inc.
Girdwood	Alyeska	14.60	Alyeska Utilities, Inc.

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[1] Average monthly bill for metered residential customers.

[2] Effective for billings after October 22, 1986.

[3] Average monthly bill, including $5.58 fire protection charge, for metered residential customers.

SAMPLE MONTHLY RESIDENTIAL WATER RATES (CONT.)
(As of December 31, 1986)

COMMUNITY	LOCATION	UNMETERED FLAT RATE	UTILITY SERVING COMMUNITY
	Switzer Village	15.28	Southeast Utilities Company Robert M. Scott, Evelyn V. Scott, Charles J. Schneider, and Marlene C. Schneider, S & S Development d/b/a
Kenai Peninsula	Nikiski	12.50	McGahan Utilities, Inc.
Palmer	Equestrian Acres	35.30	Eagle Utilities, Inc.
Pelican	Pelican	5.60	Pelican Utility Company
Wasilla	Century Park Subdivision	26.00	Matanuska Utility Company, Inc.
	Knik Road	7.00	Settler's Bay Properties, Inc.
	Swiss Castle Estates Wasilla West (Tract 1)	36.00	Omlin Water Utility

CERTIFICATED AND REGULATED PIPELINE CARRIERS

Amerada Hess Pipeline Corporation

Arco Pipe Line Company

BP Pipelines, Inc.

Cook Inlet Pipe Line Company

Endicott Pipeline Company

Exxon Pipeline Company

Golden Valley Electric Association, Inc.

Kenai Pipe Line Company

Kuparuk Transporation Company

Milne Point Pipe Line Company

Mobil Alaska Pipeline Company

Oliktok Pipeline Company

Phillips Alaska Pipeline Corporation

Sohio Alaska Pipeline Company

Tesoro Alaska Pipeline Company

Unocal Pipeline Company

FINANCIAL INFORMATION COVERING

OIL PIPELINE COMPANIES

FOR YEAR ENDING DECEMBER 31, 1986

(in 000's)

COMPANY	PROPERTY GROSS	PROPERTY NET	TOTAL REVENUE GROSS	TOTAL REVENUE NET	THROUGHPUT BARRELS [1]
Amerada Hess Pipeline Corporation	$ 149,316	$ 91,295	$ 18,861	$ (1,102)	10,335
Arco Pipe Line Company	2,402,407	1,603,799	778,054	272,059	142,012
BP Pipelines, Inc.	1,611,091	1,126,236	481,102	157,004	108,683
Cook Inlet Pipe Line Company	42,348	11,824	13,555	3,411	11,992
Exxon Pipeline Company	2,150,041	1,425,866	709,806	314,227	not rptd.
Golden Valley Electric Association, Inc.	5,927	4,085	1,029	177	27,610
Kenai Pipe Line Company	12,583	4,565	5,721	1,780	33,367
Kuparuk Transportation Company	125,744	111,029	60,809	46,647	99,470
Milne Point Pipe Line Company	26,857	25,322	8,992	4,820	4,708
Mobil Alaska Pipeline Company	397,742	273,432	123,738	46,932	138,974
Phillips Alaska Pipeline Corporation	126,568	87,223	40,939	16,450	9,046
Sohio Alaska Pipeline Company	3,387,791	2,347,773	1,057,078	307,025	226,380
Tesoro Alaska Pipeline Company	22,489	15,671	7,333	5,280	0 [2]
Unocal Pipeline Company	217,710	117,587	71,961	23,518	9,672
TOTAL	$10,678,614	$7,245,707	$3,378,978	$1,198,228	822,249

[1] Crude Oil

[2] Tesoro shipped 10,100 barrels of gasoline, jet fuels, and other high volatile petroleum fuels and 559 barrels of distillate fuel oil

THE ALASKA PUBLIC UTILITIES COMMISSION

Susan M. Knowles, Chairman
Carolyn S. Guess
Louis E. Agi
Kathleen L. Whiteaker
Peter Sokolov

Ted S. Moninski, II, Executive Director

Susan M. Knowles, Commissioner (Appointed October 1, 1975 - current term ends November 1, 1993): Vassar College (BA) Political Science; University of Alaska (MBA) Business Administration - Finance; Chairman, APUC (January 8, 1988-present); Federal-State Joint Board (CC 83-1376); President - National Association of Regulatory Utility Commissioners (NARUC) (1984-1985); First Vice President - NARUC (1983-1984); Second Vice President - NARUC (1982-1983); Executive Committee - NARUC (1982-Present); Committee on Communications - NARUC (1987-Present); Committee on Gas - NARUC (1976-1987); Board of Directors - National Regulatory Research Institute (1982-1985); President, Vice President, Secretary Treasurer, Executive Committee - Western Conference of Public Service Commissions (1977-1982); Advisory Council - Gas Research Institute (1978-1984); Community Enterprise Development Corporation; property investment finance manager; restaurateur; born December 4, 1946, New York, New York; married, three children.

Carolyn S. Guess, Commissioner (Appointed October 1, 1975 - current term ends November 1, 1993): College of William & Mary (BA); Acting Chairman, APUC (1987-1988); Chairman, APUC (1981-1986); Acting Executive Director, APUC (1979); Committee on Administration, National Association of Regulatory Utility Commissioners (1979-present); Board of Directors, National Regulatory

Research Institute (1985-present); Vice Chairman of Alaska Educational Broadcasting Commission (1972-1975); born September 24, 1934, Montclair, New Jersey; four children.

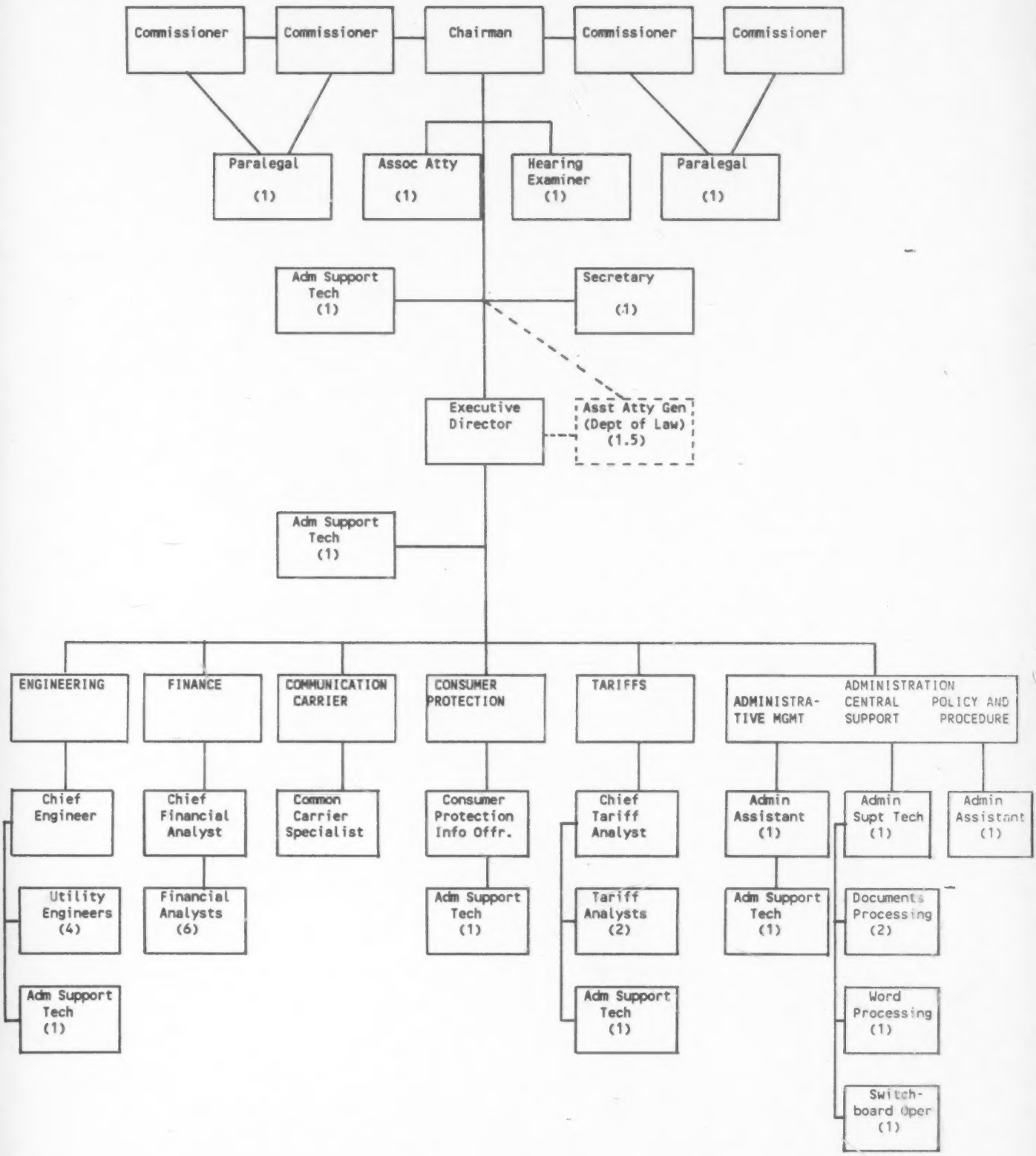
Louis E. Agi, Commissioner (Appointed February 7, 1983 - current term ends October 31, 1988): Columbia College (BA) Experimental Psychology, 1963; New York University School of Law (LL.B.), 1966; Assistant Attorney General, State of Alaska ; Assistant District Attorney, Third Judicial District; District Attorney, Second Judicial District; private practice; admitted to practice in Alaska, Florida and New York; born June 11, 1941, New York, New York; married, one child.

Kathleen L. Whiteaker, Commissioner (Appointed January 15, 1985 - current term ends October 31, 1992): Ohio University (BBA); Certified Public Accountant, Alaska and Ohio; Committee on Accounts - National Association of Regulatory Utility Commissioners (NARUC); Chairman, Federal-State Joint Board Staff (1983-1985); Staff Subcommittee on Communications - NARUC; Staff Subcommittee on Accounts - NARUC; Chief, Communications Common Carrier Section - Alaska Public Utilities Commission (1982-1985); Chief, Finance, Accounts and Tariffs Section - Alaska Public Utilities Commission (1978-1982); Price Waterhouse & Co., Certified Public Accountants; born July 27, 1951, Cleveland, Ohio; married.

Peter Sokolov, Commissioner (Appointed July 16, 1987 - current term ends October 30, 1990): Northwestern University (MS) Electrical Engineering; University of Connecticut (MBA); Registered Professional Engineer in Alaska and New York; District Engineering Manager, New York Telephone (1971-1976); Chief Engineer - Alaska Public Utilities Commission (1979-1987); Staff Subcommittee on Engineering - NARUC; born June 29, 1936, Leghorn, Italy; married.

Ted S. Moninski, II, Executive Director (Assumed position on May 1, 1986); APUC Deputy Director from 1981 until 1986: University of Alaska, Anchorage (BA) Economics; Area Court Administrator, First Judicial District; Assistant Area Court Administrator/Clerk of Court, Third Judicial District (1975-1981); Member, American Society for Public Administration; Member, National Association for Court Administration; Fellow, Institute for Court Management; Member, Municipal Budget Advisory Commission, Municipality of Anchorage.

ALASKA PUBLIC UTILITIES COMMISSION ORGANIZATION CHART



ALASKA PUBLIC UTILITIES COMMISSION
OPERATING BUDGET - FY 86-87

	APPROPRIATION	LINE ITEM DETAIL		REVENUE ACTIVITY	
FISCAL YEAR	TOTAL APPROPRIATION	FY APPROPRIATION	FY EXPENDITURES	REVENUE RECOVERED	
1986	$3,975,500.00				
	70100 PERSONAL SERVICES	$2,612,300.00	$2,604,470.00	GENERAL FUND:	$16,700.00
	70200 TRAVEL - GENERAL FUND	39,600.00	27,340.00		
	70200 TRAVEL - PROGRAM RECEIPTS	15,000.00	13,400.00	PROGRAM RECEIPTS:	370,100.00
	70300 CONTRACTUAL - GEN FUND	304,200.00	290,270.00		
	70300 CONTRACTUAL - PROG RECEIPTS	970,000.00	884,950.00		
	70400 COMMODITIES	23,300.00	22,590.00		
	70500 EQUIPMENT	11,100.00	11,100.00		
		$3,975,500.00	$3,854,120.00	FY 86 TOTAL RCV'D:	$386,800.00
1987	$3,530,200.00				
	70100 PERSONAL SERVICES	$2,225,800.00	$2,225,300.00	GENERAL FUND:	$2,318,900.00
	70200 TRAVEL - GENERAL FUND	16,600.00	14,820.00		
	70200 TRAVEL - PROGRAM RECEIPTS	30,000.00	18,730.00	PROGRAM RECEIPTS:	2,467,100.00
	70300 CONTRACTUAL - GEN FUND	263,400.00	259,050.00		
	70300 CONTRACTUAL - PROG RECEIPTS	965,300.00	678,580.00		
	70400 COMMODITIES	25,000.00	24,110.00		
	70500 EQUIPMENT	4,100.00	4,060.00		
		$3,530,200.00	$3,224,650.00	FY 87 TOTAL RCV'D:	$4,786,000.00

STATUTES AND REGULATIONS

The Statutes.

The Alaska Public Utilities Commission Act (AS 42.05), enacted in 1970, created a full time administrative agency to regulate public utilities within the State. The jurisdiction of the Commission extends to telecommunications, electric, gas, steam, water, sewer, and garbage utilities as defined by the Act. In 1981 the Legislature amended the Alaska Pipeline Commission Act (AS 42.06) to merge the Alaska Pipeline Commission into the Alaska Public Utilities Commission. The jurisdiction of the Alaska Public Utilities Commission was extended to pipeline carriers and pipelines.

A public utility providing service for compensation to more than ten customers is required to obtain a certificate of public convenience and necessity from the Commission.[1] A certificate describes the nature and extent of authority granted to the public utility, including a description of the authorized service area and the scope of operations of the utility. No certificate may be issued unless the Commission finds that the service is required for the convenience and necessity of the public and that the applicant is fit, willing, and able to provide the utility service requested. Similarly, pipeline carriers subject to the Commission's jurisdiction must secure a certificate of public convenience and necessity. A certificate for pipeline carriers generally includes the same information found in a public utility certificate.

The Commission is responsible for making or requiring just, fair, and reasonable rates, classifications, regulations, practices, services, and facilities for public utilities and pipeline carriers. The Commission has the

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[1] Electric and telephone utilities grossing less than $50,000 are not required to be certificated unless 25 percent of their customers petition the Commission for regulation.

authority to investigate, hold hearings, prescribe systems of accounts, require the filing of reports, and take other lawful actions necessary to accomplish the stated purposes of AS 42.05 and AS 42.06. The Commission also determines the eligibility of electric utilities for power cost equalization and the kilowatt-hour subsidy amount under the provisions of AS 44.83.162 -- 44.83.164. The Commission is also empowered under AS 31.15.010 -- 31.15.050 to determine if there has been unjust and unreasonable discrimination in purchase of oil offered for purchase within the State.

A number of certificated utilities are exempt from economic regulation by the Commission, including:

(1) public utilities owned and operated by a political subdivision of the State, none of whose utilities is in competition with any other utility, unless the political subdivision elects to be regulated by the Commission [2] (AS 42.05.711(b));

(2) investor-owned electric or telephone utilities with annual gross revenues of less than $325,000, if the majority of customers elect exemption (AS 42.05.711(f));

(3) utilities, other than electric or telephone utilities, with annual gross revenues of less than $100,000, if the majority of customers elect exemption (AS 42.05.711(g));

(4) cooperative utilities organized under AS 10.25, if the majority of their members elect exemption (AS 42.05.711(h));

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[2] The Anchorage municipal utilities and the Tlingit-Haida Regional Electrical Authority are the only utilities operated by a political subdivision subject to economic regulation.

(5) garbage utilities with annual gross revenues of less than $200,000, unless 25 percent of the customers or customers paying 25 percent of a utility's gross revenues have petitioned the Commission for regulation (AS 42.05.-711(i)); and

(6) cable television utilities, unless 25 percent of the customers petition the Commission for regulation (AS 42.05.711(k)).

Electric and telephone utilities with gross revenues of less than $50,000 are exempt from both certification requirements and economic regulation, unless 25 percent of their customers petition for regulation.

There are five commissioners appointed by the Governor and confirmed by the Legislature for six-year terms of office. In addition to the business, engineering, and law members, there are two consumer members of the Commission.

Regulations.

The Commission has adopted regulations necessary and proper to carry out the duties assigned to it by statute.

The Commission's regulations are set out in Title 3, Part 5, Chapter 48 (Practice and Procedure), Chapter 49 (Deregulation), Chapter 50 (Energy Conservation), and Chapter 52 (Operation of Public Utilities) of the Alaska Administrative Code.

FY87 RATE CHANGES GRANTED
(July 1, 1986 - June 30, 1987)

	Requested	Granted
Alascom, Inc. (Long Lines Telecommunication)		
Interim	15.03%	0%
Permanent	20.68%	5.47%
Rate of Return	13.15% - 14.31%	11.48%
Return on Equity	14.50% - 18.75%	15.65%
Anchorage Refuse, Inc. (Refuse) (U-87-29)		
Interim	12.46%	12.46%
Permanent	14.48%	13.08% [1]
Rate of Return	13.76%	13.02%
Return on Equity	15.50%	14.50%
Anchorage Water & Wastewater Utility (Water) (U-86-3)		
The Municipality of Anchorage d/b/a		
Interim	18.00%	14.00%
Permanent	23.22%	15.03%
Rate of Return	12.07%	10.26%
Return on Equity	14.90%	13.50%
Anchorage Water & Wastewater Utility (Water) (U-87-14)		
The Municipality of Anchorage d/b/a		
Interim	8.00%	6.59%
Permanent	19.97%	[2]
Interim	9.55%	9.55%
Permanent	25.11%	[2]
Barrow Utilities and Electric Cooperative, Inc. (Electric)		
Interim (Requested a decrease to existing permanent rates)	(19.70%)	(19.70%) [3]
Permanent (Requested a decrease to existing permanent rates)	(24.40%)	(24.40%)
Return approved used an 88% operating ratio		
Bristol Bay Telephone Cooperative, Inc. (Telephone)		
Interim	75.00%	75.00% [4]
Permanent	75.00%	75.00%
Rate of Return	8.33%	8.33%
Bush Tell, Incorporated (Telephone)		
Interim	53.00%	53.00%
Permanent	53.00%	53.00%
Rate of Return	9.32%	9.32%
Return on Equity	13.50%	13.50%
Chugach Electric Association, Inc. (Electric) (U-86-29)		
Interim	3.67%	3.59%
Permanent	3.67%	3.46%
Times Interest Earned Ratio [5]	1.35	1.35
Chugach Electric Association, Inc. (Electric) (U-87-35)		
Interim	4.22%	4.22%
Permanent	4.22%	[6]
Interim	4.89%	4.65%
Permanent	4.89%	[6]

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[1] Permanent rate increase granted on December 24, 1987.

[2] Hearing and decision on permanent requests are scheduled for 1988.

[3] Interim and permanent decrease requested and approved on a rate redesign.

[4] Interim and permanent increase requested and approved on a rate redesign.

[5] Times Interest Earned Ratio is the ratio of net margins plus interest expense, and is the mechanism most often used in calculating the allowed return for REA cooperatives.

[6] Hearing and decision on permanent requests are pending in 1988.

FY87 RATE CHANGES GRANTED (CONT.)
(July 1, 1986 - June 30, 1987)

	Requested	Granted
Eagle River Refuse, Inc. (Refuse) (Docket U-86-79)		
Interim	6.14%	3.36%
Permanent	7.36%	3.36%
Rate of Return	15.50%	13.40%
Return on Equity	15.50%	13.40%
Eagle River Refuse, Inc. (Refuse) (Docket U-87-48)		
Interim	14.00%	14.00%
Permanent	18.75%	13.95% [7]
Rate of Return	13.52%	13.02%
Return on Equity	15.50%	14.50%
Matanuska Electric Association, Inc. - Unalakleet (Electric)		
Interim	28.23%	22.50%
Permanent	28.23%	22.53%
Rate of Return	7.72%	7.72%
Return on Equity	15.00%	15.00%
Municipal Light & Power Department (Electric)		
Municipality of Anchorage d/b/a		
Interim	16.13%	8.77%
Interim	16.13%	16.13%
Permanent	16.13%	13.53%
Debt Service Coverage Ratio [8]	1.60	1.45
Rhodes, R. J. & Clara (Water)		
Interim	114.48%	113.73%
Permanent	114.48%	97.12%
Rate of Return	10.50%	10.50%
Return on Equity	10.50%	10.50%
Yukon Telephone Company, Inc. (Telephone)		
Interim	75.00%	75.00% [9]
Permanent	75.00%	75.00%
Rate of Return	11.81%	11.81%
Return on Equity	15.00%	15.00%

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[7] Permanent rate increase granted on December 24, 1987.

[8] Debt Service Coverage is the ratio of the funds available for debt service coverage as defined by the bond ordinance(s) to the debt service (interest and principal) payments.

[9] Interim and permanent increase requested and approved on a rate redesign

SYNOPSIS OF COURT APPEALS

At this time nine appeals of Commission decisions are pending before the courts.

Pending before the **Supreme Court** is:

Homer Electric Association, Inc. v. APUC. In this case, Homer Electric Association, Inc. (HEA) appealed from the Commission's decision which disallowed 50% of the dues paid to Alaska Rural Electric Cooperative Association as lobbying expenses and allocated to HEA the costs of the Commission Staff's assistant attorney general. Oral argument before the Supreme Court was completed in October 1987, and the case is waiting decision.

Pending before the **Superior Court** are the following appeals:

Wasilla Refuse, Inc. v. APUC. This appeal from the Commission's order allowing regulated competition in refuse collection was argued before the Superior Court in August 1987. The Superior Court issued its opinion in which it upheld the Commission's decision to allow competitive residential refuse collection but reversed other portions of the decision with regard to a carrier of last resort and matters concerning economic regulation. The Commission has requested clarification with respect to the Court's reversals.

City of Kenai v. APUC. The City of Kenai appealed the Commission's decision regarding unreimbursed relocation of utility facilities. This case went to the Supreme Court on a procedural issue and is now back before the Superior Court. Briefs have been filed by the City of Kenai, Matanuska Telephone Association, Inc., HEA, and the Commission.

Also before the Superior Court is a complaint for declaratory relief in *Carr Gottstein v. APUC* in which the complainant is asking the Court to declare as unlawful the Commission's practice regarding interim, refundable rate increases with regard to rate redesigns.

During 1987 the following court actions were completed:

Tesoro Alaska Pipeline Company v. Kenai Pipe Line Company This appeal from the Commission's decision that it has jurisdiction to set rates for oil and refined products shipments over the Kenai Pipe Line Company terminal facility was argued before the Supreme Court in June 1987, and the Supreme Court found that the Commission does have jurisdiction.

Yassick v. APUC. The Superior Court rejected Yassick's request for immediate relief and upheld the Commission's decision that just and reasonable rates for dentists should be established after the hearing on the sewer rate design proposed by the Anchorage Water and Wastewater Utility.

Stepanov and Effler v. APUC. This case involves the Commission's decision regarding HEA's tariff for line extensions and its effect on pre-existing contracts of the two developers and the utility. Reply briefs and oral argument are pending.

Chugach Electric Association, Inc. v. APUC. Chugach Electric Association, Inc., (Chugach) appealed the Commission's decision regarding allocation of reserve capacity between all requirements customers and contract customers. Chugach's reply brief is due in March.

Anchorage Telephone Utility v. APUC. Anchorage Telephone Utility (ATU) appealed the Commission's decision in the toll dispute between ATU and Alascom, Inc., (Alascom) in which the Commission determined that ATU must pay approximately $22 million to Alascom. The appellate proceedings have been stayed until the Commission's final decision in Docket U-86-12. A stipulation is pending before the Commission for disposition of the rest of the case.

Cook Inlet Pipe Line Company v. APUC. Cook Inlet Pipe Line Company (CIPL) originally appealed in 1985 the Commission's order setting a methodology for regulating the pipeline. After further proceedings before the Commission, CIPL supplemented its notice of appeal earlier this year. Commission briefs are due in April.

Alaska Consumer Advocacy Program v. APUC and Alascom. Alaska Consumer Advocacy Program (ACAP) appealed the Commission's decision in Docket U-83-53 regarding the Commission's treatment of the transitional supplement paid by AT&T to Alascom. The Commission's brief has been filed.

Golden Valley Electric Association v. AEM. GVEA appealed the Commission's determination of GVEA's avoided cost under which the utility must purchase energy from AEM, a cogenerator under the Public Utility Regulatory Policies Act of 1978.

UTILITIES WHICH HAVE HELD DEREGULATION ELECTIONS AND RESULTS OF ELECTION

Utility	Result
Matanuska Electric Association, Inc.	Member/subscribers voted against being deregulated
Glacier Highway Electric Association, Inc.	Member/subscribers elected to become deregulated
Tanana Power Company, Inc.	Subscribers voted against being deregulated
Cordova Electric Cooperative, Inc.	Member/subscribers elected to become deregulated
Cordova Telephone Cooperative, Inc.	Member/subscribers elected to become deregulated
Naknek Electric Association, Inc.	Member/subscribers elected to become deregulated
Circle Electric	Subscribers elected to become deregulated
I-N-N Electric Cooperative, Inc.	Member/subscribers voted against being deregulated
Nelson Lagoon Electric Cooperative, Inc.	Member/subscribers voted to become deregulated
Manokotak Power Company	Subscribers elected to become deregulated
Eagle Power Company, Inc.	Subscribers elected to become deregulated